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26 October 1984

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DISCOVERY OF VAST TURKISH ESPIONAGE NETWORK ALLEGED

Athens TA NEA in Greek 22 Sep 84 p 1

/Text/ The Turkish information services in the free areas of Cyprus have established an excellently organized espionage network according to startling information given to the security authorities by Turkish agent Yusuf Derves Datogan /transliteration/ before committing suicide by falling from the third floor of the Nicosia hotel where he was held after his surrender to the Cypriot authorities.

The network, which is financed by large appropriations, includes Greek Cypriots--many names are already known--Turks and Turkish Cypriots who are called "turcoats". According to existing data Greek-speaking Turkish agents go undisturbed to the free areas of the island through the Dekelia British base. Their cars have forged plates and they come in contact with their collaborators who gather information mainly on Cypriot military and defensive matters.

The Turkish Cypriot agent, who committed suicide 13 hours after his surrender, possessed a key to the Turkish Information Services and was one of the key cadres who directed the network of spies in the free areas.

On the basis of data that came to light, an investigation is being conducted detrimental to former Cypriot Army Major Thasos Petridis and Andreas Kanaris. The first had been sentenced for smuggling hashish and the second for illicit dealing in antique icons

With regard to the Datogan suicide the Turkish Cypriot security forces issued an announcement confirming his identity and added that "before going to the South /Cyprus/ he had seriously wounded with a knife Captain Gilmaz Baskayia /transliteration/. It was after this episode that he escaped to the other side /south/ where he committed suicide in order not to confess /his crime/."

In the car with which the Turkish Cypriot found refuge in the free areas, the authorities found a number of plates which he used during his travels to these areas through the British bases.

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CSO: 3521/18

INCREASED SPY ACTIVITY AT ELLINIKON AIR BASE ALLEGED

Athens ETHNOS in Greek 22 Sep 84 p 3

/Article by K. Gotsimas: "On Foot the Whole Base at Ellinikon" /

/Text / In the past 24-hour period there was a great increase of flights of spy and transport aircraft from and to the American base at Ellinikon. All day yesterday twice as many aircraft took off or landed at the base than the usual number which arrive or leave the base and whose schedules under normal conditions are between Italian military airports and those in Crete and Athens. Yesterday the average 10 daily flights of cargo planes which transport medical materials, medicines, doctors, etc., to the Middle East were doubled.

Wounded Persons

On the other hand there were reports, according to which wounded persons were transported through the Ellinikon base to Western Germany following the terrible explosion at Beirut. Specifically, they were transported to the Wiesbaden, Germany, American base where there is a complete hospital.

The airplanes which flew in recent hours were of the C-130 and C-142 types. At the same time flights of D-35 aircraft (fighters) were observed. Their average flights of three to four per day were increased to eight. At the same time, according to reliable information, the vigilance of the marine units has increased at the American base at Ellinikon.

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CSO: 3521/18

SCHLUTER SOLIDIFIES POSITION WITH SUPPORT FROM EVEN SDP

[Stockholm SVENSKA DAGBLADET in Swedish 17 Sep 84 p 2]

[Commentary by Elisabeth Crona]

[Text] Copenhagen--"We must give them a perfect 10 for artistic merit." This score was given to Prime Minister Poul Schluter and his nonsocialist "four-leaf clover" government, which just celebrated its second anniversary, by its worst competitor--the Social Democratic opposition.

This statement, made by deputy chairman Knud Heinesen to SVENSKA DAGBLADET, is typical of the Danish reaction to the present government.

There is considerable disagreement between the political blocs when it comes to the contents of the government's policies--especially economic policy. These differences are so great that the nonsocialists and Social Democrats use entirely different sets of facts to describe the economy. Comparisons are made in different ways and, as a result, the final figures differ. For example, the government speaks of a drop in interest rates from 22 to 14 percent. The opposition believes that the true figure is 18 percent. The government says that unemployment is decreasing. Anker Jorgensen says it is higher than 2 years ago.

Dampened Criticism

But when it comes to Poul Schluter's skill, everyone is congratulating him. He has managed to make optimism into a policy. The latest opinion polls show that even many Social Democratic voters believe that the Schluter government should be allowed to finish its term.

The criticism from organized labor, which blossomed into enormous demonstrations outside Christiansborg 2 years ago, has been dampened, at least within such high-wage unions as the Danish Metalworkers Union.

During the metalworkers congress held in Alborg several weeks ago, little criticism of the nonsocialist government was heard. The union's chief economist, Steffen Moller, does not hide the fact that he often has the same economic analysis as the government.

But the Social Democratic Party differs with the government in its estimate of who has gained and who has lost as a result of the nonsocialist policies:

"Our main objection is that the burden has been distributed in an unfair manner," said Knud Heinesen. "The lowest 15 percent have had to pay the bill. Real wages have dropped and conditions for the unemployed have become worse. At the same time, industry is experiencing a sharp upturn."

"The battle against unemployment has been pushed aside in order to solve the trade balance problem. In fact, the government has been unsuccessful there, too."

Forced Savings

This sour note in the government's song of joy was also sounded by Poul Schluter in a summary of his first 2 years in power:

"We are in the midst of a definite upswing. Growth in Denmark is now stronger than in most other countries. Unemployment is beginning to drop."

"Inflation has been cut in half. Interest rates have dropped sharply. Industrial investments are on the rise. Despite rising interest payments, the budget deficit has been reduced by almost half."

"Since private consumption is still at a high level, however, the balance of payments figures have been less satisfactory in recent months," Poul Schluter said.

Economic experts believe that, later this fall, the government will propose drastic reductions in private consumption. A forced savings scheme is one possibility.

In addition, a government leak has produced an internal working paper, according to which Finance Minister Palle Simonsen is considering an additional "wage-earner tax," to be used to help create jobs.

Disappointment

Among the praise and criticism heard on the second anniversary of the government, the prime minister must listen carefully to the leader of the Radical Liberal Party, Niels Helveg Petersen.

For without his help, the four-party nonsocialist minority government (Conservative Party, Liberal Party, Christian People's Party, and the Center-Democratic Party) cannot remain in power. In the midst of the victory celebration on election night, 10 January this year, some disappointment could be detected in the voice of Poul Schluter. It was an historic victory for his Conservative Party, but he did not gain a majority in parliament. The constant deliberations and negotiations in parliament must continue.

But Niels Helveg Petersen has wished him good luck. If it is up to the leader of the Radical Liberals, the government will eventually celebrate its third, fourth, and fifth anniversaries.

Swallowing NATO Criticism

One exception to this understanding is security policy, where the Radical Liberals have supported the Social Democrats on important votes. But Poul Schluter has stated once and for all that he may be forced to resign on economic policy, but not on security policy. Thus, he swallows the criticism from NATO and welcomes the loyal support of the Radical Liberals on economic issues.

In the shadow of the Danish Social Democratic Party Congress the Radical Liberals, who despite their name are a nonsocialist party, are holding their own congress. A debate over the party's position toward the government may be expected. In parliament, the Social Democrats are attempting to win the party over to their side on various issues.

"We will attempt in every conceivable way to win the support of the Radical Liberals," Knud Heinesen said. "We will do our best to make them follow their party platform, which is neither old-time liberal nor conservative."

One person who has had to pay for the coalition government's 2 years in power is the man who has been called the architect of the nonsocialist government: the chairman of the Center-Democratic Party, former Social Democrat Erhard Jacobsen. His party was among the losers in the January elections. Nevertheless, in a Radio Denmark interview on the second anniversary, he said: "It was worth it."

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CSO: 3650/4

COMMUNIST PAPER REPORTS ON PARTY CONGRESS

Chairman Jensen Attacks Schlüter

Copenhagen LAND OG FOLK in Danish 18 Sep 84 p 2

[Article by Gerda Kristensen, Bent W. Nielsen, Erik Nielsen, Søren Rasmussen, Tom Reher and Lars Transbøl: "Jørgen Jensen, DKP [Danish Communist Party] Chairman: Unity in Battle to Overthrow Schlüter's Government"]

[Text] "Agreement on and unification regarding an alternative policy demands not just the exposure of the Schlüter government's cynical class policy; it also requires an ideologically based showdown with non-socialist attitudes." Danish Communist Party Chairman Jørgen Jensen thus summed up at the party's national congress this week in Ålborg the showdown which must take place and which the entire theme of the national congress revolved around, i.e., how to create the strongest and broadest campaign against the right.

DKP and Labor Movement

On the basis of the necessity for a consistent struggle against the income policy and repudiation of the claim regarding common interests between labor and capital, Jørgen Jensen said:

"It obviously also says something about our tasks in the labor movement, how much a break with the collaboration line means for activation."

Metal's [metalworker's union] congress last year, where our comrades fought to influence and also got results, was not a decisive break with the conservative-turned collaboration line. We did not receive from Metal clear uniting class signals which could threaten Schlüter's cynical class policy.

Earlier congresses, the SiD [Semi-Skilled Workers' Union] and the SiD's branch meetings, the bricklayers, typographers, educators and social workers, have shown us other signals, even if they have not entirely broken with the collaboration line, but then have clearly distinguished themselves by class attitudes, and Jørgen Jensen asked:

"What would the political situation have been in Denmark if it had been LO [Danish Federation of Trade Unions] and the united labor movement which had involved themselves in the struggle for peace, broken with the profit-controlled economy, supported the direct struggle of the work place against the class enemy, demanded nationalization, work and public action, yes, called for unity to remove the Schlüter government?"

Unity

"We have maintained many times that the Schlüter government's continued hold on power is due first and foremost to the fact that it has not been possible to create unity and action for a supportable political alternative," Jørgen Jensen continued.

"We also know that unity and action for a policy which is created on a socialist foundation requires changes of attitude first and foremost in the Social Democratic Party and the labor movement."

At the same time as we are creating unity from below, we are also turning to the labor movement's parties, as we did earlier to the Socialist People's Party, and now with our letters to the Social Democratic Party's congress (published in LAND OG FOLK WEEKEND).

DKP and Denmark

Jørgen Jensen referred to the party's political platform passed at the last congress and said:

"We have here a united platform for the Denmark we want. We want to present united solutions here from the national congress, too."

But we must also learn to understand the necessity in the present situation of using partial elements of our policy for the development of unity and faith in an alternative policy.

The DKP's tax proposal is not only a new form of collection and distribution, but also a showdown with economic speculation.

In connection with the Røvsing firm's bankruptcy, we have, for example, pointed out a number of facts about this firm. We will use this case to repudiate the exploitation system and the failure of the control of profits and denationalization.

We will serve the Danish working class and thereby the decisive portion of the Danish people.

We will place our knowledge and power at the disposal of the class.

We will not just be water bearers, but first and foremost instruct, and find the decisive element in the political struggle, inspire this struggle and do our part so that the task is concentrated on as strongly as possible.

Age Distribution of Delegates

Copenhagen LAND OG FOLK in Danish 18 Sep 84 p 3

[Article: "Young National Congress"]

[Text] That the Danish Communist Party is both a young and professionally active party was emphasized once again at the national congress. This occurred, for one thing, in a speech delivered by Eigil Bjerre from Mors, when he tackled the claim that the communist party consists of a group of old, gray and tired men. "But look around you," he said, "how many gray men can you see here in the hall?"

The view was further supported when the congress's seat committee made its report. From this it was revealed that the average age of the congress's delegates was exactly a good 37 years. By far the largest group, i.e., 52 percent, was in the age group of 30 to 40 years.

Almost half of the congress's delegates had honorary offices in trade unions, labor unions or at work places. The largest group--45 delegates--was organized in SiD, 32 in the Danish Teachers' Union, 31 in educational organizations, 28 in HK [Union of Retail Business and Clerical Workers], 27 in Metal, 23 in academic organizations and 18 from the graphic trades.

Paper Comments on Achievements

Copenhagen LAND OG FOLK in Danish 18 Sep 84 p 2

[Editorial: "Appeal for Action"]

[Text] The Schlüter government is conducting a cynical class policy. A policy for the few against the many. A backward Robin Hood policy, which takes from the poor and gives to the rich. These were not just assertions at the DKP's national congress in Ålborg this weekend. With concrete examples of the consequences of the government's policy, speaker after speaker documented that the words are the precise expression of reality.

The Schlüter government and the reactionary conspiracy it represents must be removed, the demand was heard again and again. But the government is not removed by protests alone, nor by speeches from the Folketing's speaker's chair, but as a result of an ideological struggle and practical politics. Just as it is done by the peace movement and the movement against EC, it can also be done in the economic area. And during this struggle an alternative is being created to the non-socialist government and thereby also the foundation for removing it.

The national congress maintained that the main tasks of the moment are: the struggle for an economic policy which ensures lasting employment, the struggle for agreements in 1985 that ensure a 35-hour work week without a loss of pay, and the struggle for Denmark's making its necessary contribution to the ensurance of peace.

The communist national congress did not content itself with pointing out the main tasks. It also gave instructions on what must be done in order to carry out the final showdown with the non-socialist crisis policy, regardless of what government puts its name on it. The congress appealed to the labor movement's members, tenants, young people in school, the retired and unemployed, activists in the peace movement and other people's organizations: Unite in actively dealing with those parts of the Schlüter government's policy which hit each of you especially.

Clear talk, but with the opposite sign, was heard also from another of the weekend's national congresses--the Radical Left's at Nyborg Strand. The Radicals have chosen sides. The national congress gave unconditional support to the Schlüter government's asocial policy. The party is ready to intervene in the compromise talks if the job market's sides do not ensure lower wage increases than in the last compromise. It will direct new attacks against the maintenance allowance system and will work for wage-earners' to an increasingly greater extent themselves having to pay for subsidizing of unemployment. With 180 votes to 100, the national congress passed a security policy program which "alarmingly approaches an arms buildup rather than what we want, i.e., arms reduction," as one of the congress's delegates expressed it.

Less clear words, unfortunately, were heard from the Social Democratic Party's congress. The party's chairman, Anker Jørgensen, said that the Social Democratic Party wants a socially reasonable income policy. He said nothing about the fact that it is big capital's--the monopolies' and concerns'--rights and power which must be accosted.

Anker Jørgensen also said that the Social Democratic Party will not take part if the government intervenes in the discussions regarding new compromises next year. He said nothing about the necessity of refusing to participate in the 3-party talks between LO, the government and the Danish Employers' Association.

LO Chairman Knud Christensen in a speech to the congress threatened a conflict if the demand for shorter working hours does not make it through. He said nothing regarding the necessity of the activity in the working class which is the decisive prerequisite for the compromise demands being fought through.

All together this provides an opportunity for with even greater attention studying and using the communist national congress's appeal for unity in the struggle against the forces on the right.

Let the appeal form the foundation for activities in labor unions, at work places and places of learning, as well as in people's organizations and movements. By turning its clear words into active deeds, we will be closer to the day when the Schlüter government is removed and the showdown with the non-socialist crisis policy is realized.

RADICAL LIBERALS REFUSE TO SUPPORT SDP IN SECURITY DEBATE

Radical Liberals Awaiting Panel

Copenhagen BERLINGSKE TIDENDE in Danish 29 Sep 84 p 2

[Article by Michael Ehrenreich]

[Text] Will not support new sharpened security policy draft resolution until Dyvig panel has completed its work.

A Social Democratic draft resolution in the Folketing to intensify Denmark's reservations with regard to nuclear weapons on Danish soil cannot be adopted until the Dyvig panel has completed its work. The Radical Liberals want to await completion of the work of the panel and will, if necessary, be prepared to support an escape draft resolution from the government with reference to the upcoming report from the Dyvig panel.

"It will, in any circumstances, be most natural for the Dyvig panel to announce the outcome of its deliberations prior to such a discussion--the more so as it was the Social Democratic Party which asked for the report of such a panel," the leader of the Radical Liberal Party, Niels Helveg Petersen, says.

The Radical Liberal Party supports, in principle, the idea that Denmark remain free of nuclear weapons under any circumstances, but the party finds that the Social Democratic Party must be patient until the work of the panel has been completed.

According to the spokesman of the Radical Liberal Party, Arne Stinus, the Radical Liberal Party will probably vote against a Social Democratic draft resolution demanding that the reservations be upheld with respect to nuclear weapons in times of peace, crisis, and war.

"We may be able to vote together with the government on a draft resolution to the effect that we ought to await the outcome of the work of the panel of officials," Arne Stinus says.

SDP Parliamentarians Challenge Jørgensen

Copenhagen BERLINGSKE TIDENDE in Danish 3 Oct 84 p 1

[Article by Michael Ehrenreich]

[Text] Former Prime Minister Anker Jørgensen appeared shaken after severe criticism yesterday on security policy, SDP parliamentarians state.

The Social Democratic Folketing group yesterday openly challenged former Prime Minister Anker Jørgensen's demand for an early security policy debate in the Folketing, and the criticism levelled against Anker Jørgensen was so severe that it is almost bound to affect the position of the Social Democratic Party during the upcoming Folketing debate, where the party has previously announced that it will intensify its security policy opposition.

Former Minister Jens Risgaard Knudsen was the first speaker at the Social Democratic group meeting immediately prior to the opening of the Folketing, and he was followed by eight group members who all criticized the decision to have a debate before the so-called Dyvig panel on Denmark's security policy situation has concluded its work. The panel was set up on the recommendation of Svend Auken, Social Democratic spokesman.

The nine members represent both wings of the group, viz. in addition to Jens Risgaard Knudsen, the chairman of the Folketing, Svend Jakobsen, Egon Jensen, Erling Olsen, Robert Pedersen, Erling Jensen, Jimmy Stahr, Kaj Poulsen and Henning Rasmussen. Only Ritt Bjerregård and Helle Degn defended Anker Jørgensen.

The critics stated that the security policy area is far too serious for the Social Democratic Party to allow itself to be pushed around by the Socialist People's Party and the Socialist Left Party, who do not support Denmark's membership in NATO. A Social Democratic draft resolution involving increased security policy opposition has already met with opposition on the part of the Radical Liberal Party.

Underlying the statements is fear that implementation of the resolution adopted at the Social Democratic congress, opposing nuclear weapons on Danish soil in times of war may be conceived as a unilateral breach of the reinforcement agreements, sources within the group state.

Anker Jørgensen recently declined to await the report of the Dyvig panel. After the group meeting yesterday, he told BERLINGSKE TIDENDE: "We attach importance to a foreign policy debate, but we are prepared for it to take place in conjunction with the Dyvig report if it becomes available soon."

Government Seen Accepting Declaration

Copenhagen BERLINGSKE TIDENDE in Danish 5 Oct 84 p 7

[Article by Michael Ehrenreich]

[Text] AKTUELT, the daily of the Danish labor movement, requests the Social Democratic Party to refrain from demonstrations in the security policy area.

The debate of the Folketing on nuclear policy will probably take place on 31 October, and government circles are now confident that, based on inquiries from the Social Democratic Party, the Socialist People's Party, and the Socialist Left Party, the debate will result in a resolution which the government will be able to live with.

A draft resolution from the Social Democratic Party is expected to include a statement to the effect that the government must work actively for Denmark to remain a nuclear-arms-free area in times of peace, crisis, and war. Without further amplification of the choice of words "work actively for," the interpretation of the resolution may be such as not to seriously jeopardize our NATO membership or contest the reinforcement agreements.

Security policy issues played but a minor role in the opening debate of the Folketing yesterday, and the members of the government present during the debate took note of the choice of words on the part of the political spokesman of the Social Democratic Party, Svend Auken, who pointed to the resolution adopted on 3 May as the basis for the security policy pursued by the party. Svend Auken, moreover, emphasized that the resolutions adopted at Social Democratic congresses have previously been presented in the Folketing by the party's foreign policy spokesman, Lasse Budtz.

The Social Democratic Party states that the reason why it demands a broad foreign policy and security policy debate is that, during its previous session, the Folketing did not have a general foreign policy debate.

The daily of the Danish labor movement, AKTUELT, yesterday asked the Social Democratic Party in an editorial to lower its tone on security policy issues and to make greater efforts in the economic policy area:

"It ought to occur to the Social Democratic Party as well that right now it is not a question of heated debates and actions in the security policy area--however important the security policy may be--but a question of the daily possibilities, existence and opportunities of the ordinary Dane," the editorial said.

Contrary to the Social Democratic Party, the Socialist People's Party has got very far in the formulation of the draft resolution of the party, which the government will not be able to accept. However, the draft resolution has got

no possibility of adoption as the wording questions the reinforcement agreement on which the majority of the Social Democratic Folketing group want no debate.

According to Jens Thoft of the Socialist People's Party, the draft resolution will "clearly establish a Danish 'No' to nuclear war on Danish soil in times of peace, crisis and war, and the government is requested to inform Denmark's allies of this decision immediately."

Jørgensen Continuing Strong Opposition

Copenhagen BERLINGSKE TIDENDE in Danish 8 Oct 84 p 3

[Article by Lars Dyrskjøl]

[Text] Yesterday, in a speech at the opening of the congress of the Domestic Workers' Union, former Prime Minister Anker Jørgensen insisted that the Social Democratic Party will have to continue its pressure in the security policy area, and he rejected any claims that the Social Democratic Party is acting in an unsolidary manner in relation to our NATO membership.

"We shall have to continue to exert pressure for removal of nuclear weapons, because if we do not manage to put an end to it, it will all end up in Armageddon," Anker Jørgensen said, describing the Kremlin leaders as "politically rather stony," and U.S. President Ronald Reagan as an irresponsible person with the same boyish demeanor he had as an actor. "It is a question of getting the six-shooter in first." In my opinion, it is irresponsible to believe in a balance of terror the way the U.S. leaders do.

Incidentally, I must be careful what I say about Ronald Reagan. For the more condescending my remarks are, the greater will be his chances of re-election," Denmark's former prime minister said.

"We must use the resolution adopted at the Social Democratic Party to fight will all means and methods available to us for a nuclear arms free zone, comprising the Nordic countries, but we welcome the participation of other parts of Europe as well, for there are many others in Europe who want the same thing as we do," Anker Jørgensen said.

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3613/8

COPEL, GALLOIS VIEWS ON DEFENSE POLICY, NUCLEAR DETERRENCE

Rome MONDOPERAIO in Italian Jun/Jul 84 pp 47-52

[Interviews with Etienne Copel and Pierre Gallois, by Michel Mathieu, date and place not indicated]

[Text] A lively exchange of polemics has broken out between Gen Etienne Copel, former chief of the Air Force, and Gen Pierre Gallois, who is also known internationally for his writings on military strategy.

Copel, with his book entitled "Winning the War" (LIEU COMMUN, Paris, 1984), has argued that the West must be capable of "winning the war," if it is attacked by the Soviets, with all conventional weaponry, including chemical weapons, on the basis of the principle of a selective and gradual defense, and that recourse to tactical and even strategic nuclear weapons must be perceived only as a last resort. This, he holds, is because the Soviets, in case of attack, would avoid exposing themselves to nuclear risk by themselves adopting a selective and gradual strategy for escalating the war. The alternative, all-out nuclear war, would lay both sides open to mutual destruction.

Gallois' reply to that was that a conventional defense is an illusion, although it must not be neglected and must, on the contrary, be modernized, because the Soviets, in case of attack, would not hesitate to turn to nuclear strategy to win at all costs, strong in the conviction that America would never risk destruction to save Europe from the Russians. In other words, Gallois is saying that the principle of selective and gradual strategy comes into play at a higher level than that Copel contemplates: not so much in the transition from conventional war to nuclear war as in the transition to tactical nuclear war, to be fought in Europe, and on to strategic nuclear war, which would directly involve both the United States and the Soviet Union and which the superpowers will constantly seek to avoid. Here, if anywhere, lies the need to keep America involved in the defense of Europe without further lowering the level that would allow it to disengage, which is what would happen in the admittedly unlikely event of a purely conventional war.

This issue, which first erupted in the French press, is further debated in the interviews both generals granted MONDOPERAIO.

Copel: How I Learned to Cut the Bomb Down to Size

[Question] The press and the politicians have called a lot of attention to your book. How was it received in military circles?

[Answer] From the younger officers in general, I have got a lot of support. I also got a lot of letters from retired generals. The ones who disagree tend to be generals still on active duty.

[Question] What objections do those who disagree put forward?

[Answer] They argue that I have weakened our deterrence. And in a way, that's true. The fact is that, until now, deterrence was a multipurpose concept and that, with nuclear weapons, we were theoretically 100-percent safe. I should use nuclear weapons only in case of nuclear attack on us. This rule of the game must be clear, even if it does weaken the conventional concept of deterrence. We tend to hide too much behind the nuclear factor. We argue that there is no point in mounting an intelligent and efficient defense, and that there is no need for putting together a modern, highly specialized military service.

So you see there are two dangers here: one is the likelihood of blowing up the planet, and the other is failing to be ready with an effective defense. Contemplating the bomb, people scrap any alternative to nuclear weapons and abdicate all sense of professional responsibility in the other areas of defense.

[Question] When you lay down the rules of the game, you reveal your strategy...

[Answer] I understand that argument. General Gallois has zeroed in on me for that. He doesn't think the way I do, but at least he deserves credit for saying so frankly. I am much more upset with people who agree I'm right, but then do nothing.

[Question] When you restate the issue of nuclear deterrence in these terms, aren't you afraid of playing into the pacifists' hands?

[Answer] All I want is to be taken seriously, and some admission that there is some sense in what I am saying. Some time earlier, Strauss, too, made the case for spelling out the rules of the game.

[Question] The new European Parliament is supposed to consider defense problems as well. Do you believe that a European defense is feasible?

[Answer] I am pretty firmly against an integrated European defense.

[Question] So you would rule out any consideration, even in the fairly distant future, of a European NATO?

[Answer] We don't need a European defense community. If, some fine day, the Germans, the Dutch, the French, etc., were to set up a United States of Europe, I should be happy to obey an Italian, German, or Dutch president. It doesn't seem right to me, though, to have two levels of authority in time of war: a functional hierarchical level -- something like NATO as it is now, where, for example, you have a German general reporting to an American general -- and, along with it, subordination to a political level of authority in the form of the national government. NATO has made it possible to coordinate our armed forces. But if war were to break out, I fear NATO would not prove very effective. If the German chancellor and the President of the United States were in whole-hearted agreement, there would be no problems. But what if, for one reason or another, they weren't? What will the German officer do? First of all, we must have an integrated political organization. If we don't, we shall have to make do with bilateral agreements, but they will have to be very specific.

Whatever happens, we must be able to defend ourselves, by ourselves, in my opinion, even though we are members of the same alliance. In other words, the rapid deployment force -- and here I am in agreement with Defense Minister Charles Hernu -- would allow us, in case of an attack at any place in Germany, to send in reinforcements fast, but, in every instance, they would be commanded by French officers. These reinforcements would be used in Germany, at the specific request of the German chancellor, and not at the behest of an invertebrate agency with so many people in charge.

[Question] What do you think of the idea of putting nuclear weapons into German hands?

[Answer] I don't think it would be such a hot idea. Besides, they don't want them, for understandable historical and geographical reasons: Germany is divided in two... I do think, though, that at the request of the German chancellor, we French could send neutron bombs to them to halt an attack on German territory.

[Question] In your book, you suggested broader resort to asphyxiating gases and chemical weapons, as part of strengthening conventional weaponry as an alternative to nuclear. That's a pretty hot issue...

[Answer] Chemical weapons are frightening things, true. They tend to raise old ghosts... There are international conventions that ban the use of chemical weapons. Not only is there the 1929 treaty, to which we are signatories, but there is also the one from the 19th century. What is banned is first use of gas or chemical weapons, and this is a parallel -- to make things clearer -- to MacNamara's "no first use" for nuclear weapons. However, even if

we cannot be the first to use them there is nothing to stop our having them on hand to defend ourselves in case of similar attacks or nuclear attacks. Nerve gas is shocking? Well, the Soviets have a clear edge over us in the field of chemical weapons. There is no point in hiding our heads in the sand. In the last war, Hitler did not use his chemical weapons, solely because we had some, too.

[Question] But is chemical warfare militarily sound? There are so many imponderables. And besides, chemical weapons could strike indiscriminately at civilians as well as soldiers.

[Answer] The first thing that must be done is to provide the civilian population with masks and helmets, and teach them how to use them. In 1939, we had them. Then you have to build adequate shelters. You stay in the shelter for a few hours. And you wait. A few hours of waiting is enough: the gas evaporates: it won't wipe out the nation as would a nuclear explosion.

[Question] Yes, but during World War I the soldiers were hit with gas they had shot at the enemy, but which drifted back when the wind changed....

[Answer] If you're firing gas shells on the front lines, that can happen. But if you're targeting them 200 kilometers beyond the lines, that particular danger vanishes.

[Question] Let's get back to nuclear weapons. Glucksmann says that nuclear weapons are, to all intents and purposes, the first psychological weapon. What do you think of that idea?

[Answer] I am not one of Glucksmann's admirers. As far as I'm concerned, that is just a lot of claptrap. I like things practical and simple. It doesn't seem to me that Glucksmann is overly concerned about the idea of starting a nuclear war. Unlike him, I am deeply concerned. This is why I am concerned in the need for other kinds of defense. In case of a Soviet attack, we have more than just the right, but the plain duty to respond. But our response must be in proportion, and, above all, we must eschew first use of nuclear weapons. It really astounds me that anybody could fail to understand so simple an idea: the idea of defense at home, and the idea of proportionate response which, after all, is the position taken by the Bishops and the Pope.

[Question] When the European nations joined NATO, the Americans were the absolute power, par excellence. In those days it never occurred to anybody that there could be dissent among allies. For almost 20 years, now, this has not been the case.

[Answer] That's exactly how it happened, except that now we are beginning to look at the problem. The Germans are beginning to realize that the weapons on their territory pose some problems,

and so are the Italians. Realizing that you have the cruise missile and the Pershing on your own territory and knowing that you have no say in the matter really is too much, in my view. That is why in Germany first, then in England and in Italy as well, you hear so much talk about "two keys." I think that would be a sound solution. The European allies, however, do not support it with any conviction. And the Americans don't think about it at all, even if they do talk about it sometimes.

[Question] There is also a problem with European public opinion. After the Vietnam war, in particular, there was widespread anti-American sentiment, and in that climate everything the "States" did was wrong, no matter what it was.

[Answer] This was particularly true in Germany. And yet, the Americans did a great deal for Germany. But that did not alter the fact that a lot of Germans perceived the American presence there as a kind of occupation. They have not forgotten that they were defeated in 1946...

[Question] That bears out what we were just saying. Too close an alliance with the Americans puts European governments in an uncomfortable position. The economic ties between Europe and the United States are still very strong. But the European allies avoid calling too much attention to themselves in the military field. Even moderate and conservative political spokesmen are discovering that they are pacifists at heart. Perhaps a European defense would eliminate this aversion. It would put an end, once and for all, to all the nagging suspicions that, in the area of military strategy as well as in that of nuclear weapons, are being voiced solely toward the American allies...

[Answer] We Europeans can certainly do something right, without deluding ourselves that we are taking giant strides toward a totally integrated defense system. We can start producing modern conventional weaponry, which cost only a tenth as much as missiles. If we can come up with standardization requirements for weapons systems and guidelines for gradual integration, we certainly have a good chance of putting them into effect. Nuclear warfare has its own strategic rules. But I cannot imagine how nuclear weapons can solve everything forever, while neglecting the other means of defense and the issues surrounding their improvement and their standardization and interoperability.

[Question] Don't you believe that with the accuracy missiles have now achieved it is possible to combine the two kinds of defense -- the nuclear and the conventional?

[Answer] Using missiles with conventional, rather than nuclear warheads, and taking advantage of the precision already achieved for striking only military targets, is a scenario that is certainly possible in a not-too-distant future. But let's leave speculation

aside for the moment. There is only one way to respond to a nuclear attack and that is with nuclear weapons. On this point, I am even more explicit than Gallois. That does not, however, alter the fact that, in case of a tactical attack to break up enemy lines, all you want to do is to put military installations, and only such, out of commission. The predominant theory today for this same situation is this: first you use all your tactical weapons at once, and then, if necessary, all your strategic weapons. I am against that "all" business. The proper response, on the contrary, is scaled to the proportions of the engagement. You can even find pacifists who will go along with this principle. Quite a lot of them are relatively willing to defend themselves, but they have no intention of doing it by whatever means at hand.

They Are Not so Much Pacifist as They Are Anti-Nuclear

The anti-nuclear people go too far because they reject anything that even smacks of nuclear. They accept unilateral and non-reciprocal disarmament. They would like to get rid of all the weapons at home first and then, thanks to their good example, they expect the rest of the world to do likewise. They are, to say the least, ingenuous. I think, on the contrary, that we ought to keep high-quality nuclear weapons. Even so, nuclear weapons cannot solve all problems. "Every response must be proportionate," said John Paul II. I am not a fervent Catholic, but that is a statement that perfectly sums up my thinking. A proportionate response fits very well with my ideas. McNamara's "no first use" abjuration of firing the first nuclear shot, does, I admit, have a demobilising effect. But the current doctrine of launching /all/ your weapons at once, even with the distinction between tactical and strategic weapons, is something that would take us I know not where. No: I know perfectly well where it would lead us: to disaster.

Gallois: Every State for Itself, and Nato for All

[Question] The breakdown in nuclear arms reduction negotiations between the United States and the Soviet Union has focused attention on the problem of security in Europe. We are talking about European defense again. Is it legitimate to imagine, in the medium term, a NATO-style establishment run solely by European governments?

[Answer] It couldn't last a day.

[Question] Because there is no European government?

[Answer] Because Europeans do not perceive the global threat. The Russians would not be so stupid as to attack all of Europe. Today, for

example, they would rather concentrate their forces elsewhere: Africa, say, or Latin America and the Middle East, upon which Europe's energy supplies depend. The same plan would be imposed on Europe, should the Soviets march westward: Soviet pressure on the weakest countries, without the others' rallying to their defense. On one side we have a single army under the strict control of a united, integrated command: I'm talking about the Warsaw Pact. On the other side, there's nothing. Only a mosaic of states that do not sense that they are all simultaneously threatened.

Do you really believe that if the Russians were to lay hands on Norway, Greece, Turkey, Italy, Spain, and Portugal would run to Norway's rescue? And if, tomorrow, they should take over a slice of Eastern Turkey, do you really think that the Norwegians, the Belgians, and the Dutch would rush to defend Turkey against the Russian might? I don't believe that for a minute. Now I understand why they are skeptical about the whole concept of a European defense.

[Question] Is a country-by-country defense conceivable, then?

[Answer] No. It is not conceivable. For that matter, ever since 1956, when we saw how easily the Russians put down the Hungarian revolt and after it the resistance there, a number of political and military spokesmen in France have begun to wake up to the fact that once the Russians achieved the capability of striking American territory, the US guarantee would fall apart. And that is just what has happened.

[Question] In your view, was American protection directly linked with American military superiority over the Soviets?

[Answer] Let's not talk about all the futile chatter over superiority and parity. It is a fact that the Russians began to be able to hit American territory in 1963 and 1964. In those days, the balance of power was still tilting against the Soviets. But their capability was already adequate to inflict considerable damage on American territory. Right now the Russians have parity or numerical superiority, and that changes a lot of equations. In America, meanwhile, they started to be vulnerable, for the first time, in 1964: for the first time, 40 to 50 American cities came within range of the destructive power of Soviet missiles. Today the Russians can destroy 30,000 towns and cities.

[Question] Nuclear parity was reached during the Sixties, though, wasn't it...

[Answer] That was precisely the time when the United States began to ask Europe to agree to the flexible response tactic. A tactic that scaled down the U.S. commitment and, assumed, in order to make military sense, the complicity of the Russians. Militarily speaking, the McNamara and Kennedy arguments -- which are economists'

theories drafted into uniform -- turn out to be absurd. Nobody is going to believe, certainly, that the Russians, accepting heavy moral and political risks, would plunge into a war in Europe and, suddenly faced with the miraculous resistance of the NATO forces, would turn tail and rush home to send an apologetic telegram. No matter what the cost, if they start a war, they know they are going to win. The Red Army dare not lose, because the Empire would fall to pieces. As a consequence, the Americans' ratcheted responses lose all credibility. If, in the central sector, the 91 divisions of the Warsaw Pact were, by some miraculous intervention, to be defeated by the 22 divisions of Atlantic Pact ground forces, the Russians would use their nuclear weapons. Why? Because, I repeat, they have to win, at all costs.

[Question] Well, then, why did the Americans come up with their flexible response doctrine?

[Answer] That was a feint, designed to let them pull out of Europe. Let's not forget that they have already withdrawn from Europe -- specifically from Italy and Turkey -- 1,400 tactical warheads, on the pretext that they were obsolete. And that is not true. It was merely an excuse that the various governments concerned swallowed willingly in the aftermath of the 1962 "Cuban missile crisis."

[Question] Well, then, why all the fuss over the Pershing-2s?

[Answer] That is still another strategy. The salient feature of the Pershing-2 and the cruise missile is mobility. We have been living under the threat of Russian warheads for 20 years, and done nothing about it. Those, though, were not very accurate. In case of a nuclear war, too many of them would have had to be launched. If they had launched them en masse, they would have done more damage to the Soviet Union than to the NATO countries because of radioactive fallout: the winds at high altitude blow from west to east.

When the SS-20s came on line, Chancellor Schmidt was horrified. With these new weapons, and their deadly precision, it is possible to launch a limited nuclear attack without causing excessive damage or inducing too much radioactive rain over Russia. Schmidt at that point appealed to Carter, asking for countermeasures. Carter, though, was not too quick to grasp the situation. He agreed, thereby departing from American strategy, to deploy the Pershing and cruise missiles in Europe. As I said earlier, these missiles' main advantage is their mobility, the rapidity with which they can be moved and sheltered from SS-20 fire. To deploy them around an enclosed firing-range, as has been done in Europe, is to make them sitting targets. And they are becoming just that because European governments are terrified by the pacifist demonstrations.

When Reagan took office, he moved quickly to propose his "zero option," which would leave him free to withdraw them. Reagan told the Russians: "You pull out your SS-20s and I'll pull out my Pershings and cruise missiles." What he did not say was: "Pull out your SS-21s, SS-22s, and SS-23s." And that is why we are still under the threat of Soviet weapons.

[Question] In your view, might not Europe's weakness, in a ricochet effect, throw a new light on the deterrent power of the French nuclear strike force?

[Answer] It could have been a meaningful deterrent only if the country were grabbed by the throat. As happened in 1940. This would place the adversary in the position of running a genuine risk, and would counsel prudence. If you look for another solution, you won't find one. There is no conventional defense solution in Europe.

[Question] You challenge the views of Gen Copel, then, as he fights for an increase in conventional forces.

[Answer] His is an argument that won't stand up; what sense is there, for France, in a conventional defense system? Right now, we have 15 brigades in our country, where we used to have five divisions. When Giscard took office, he knew absolutely nothing about such matters. The military deafened him with their clamor, and Giscard transformed those five divisions into 15 brigades. Why? Because that meant 15 commands instead of five, 15 generals in place of five. With greater chances for promotion. That's how he kept the military bureaucracy happy.

Today we have 15 brigades and 1,000 tanks. Copel wants increases in the military budget so he can expand the conventional forces. Right now, though, the defense budget is shrinking. It is not keeping pace with inflation. Let's assume that it is adjusted for inflation, and that it is increased by 10 percent. That would bring us up from 450 combat aircraft to 520-550, with a percentage increase of this level of expenditure. Today we have 15 brigades. If you reckon that in the old numbers, it works out to five divisions. If we increase the defense budget by 19 percent, we can have six divisions. Against the Soviets' 19. What is the difference? With that kind of lopsided balance, the tiny points of superiority gained add up to exactly nothing. We should have to keep 4 or 5 million Frenchmen under arms. That's ridiculous! No government could do such a thing. The defense budget would be endlessly multiplied.

[Question] Copel proposes an offensive policy based on asphyxiating gas.

[Answer] France, as a democratic country, had to fight long and hard for permission from the voters to arm itself with nuclear weapons. What chance do you think there is of getting approval for gas?

[Question] Would it be an effective weapon?

[Answer] That depends on the wind. We know where radioactive fallout goes, because the "mushroom" grows straight up. Poison gas, though, spreads along the ground, where the wind spreads it in any and all directions. And then when Copel argues that we must build cruise missiles in quantity, he forgets that American or Russian cruise missiles are feasible only because the Americans and the Russians spent 10 years mapping the topography from satellites, since cruise missiles are guided by their computers' precise knowledge of the surface topography. The principles of cruise-missile navigation are based on changes in elevation of the terrain, using sea-level as their reference point.

[Question] So radar can't spot them?

[Answer] That's an even more complicated question. I was saying just now that building cruise missiles presupposes, to begin with, that we have reconnaissance satellites and, in the second place, that we have spent 8 to 10 years remapping the Earth. We have no such knowledge, because when the present government took over, there was a sudden halt -- as we know -- and that proves that this official (Copel) who, unfortunately, was director of aeronautics, doesn't know or pretends not to know that a cruise missile is good for anything only if its guidance system has a perfect knowledge of the terrain.

In the time since we started satellite studies, we have discovered that the old traditional geographic maps were wrong. For instance, the port of Biserta is not where the navigation charts show it, but a good 350 meters offshore. So there is not much point in charting a course accurate to within 30 to 300 meters unless you know where you are starting from and what landfall you hope to hit.

[Question] Do you think the Americans are ready to agree to the "double-key" concept with the nations on whose territory the Pershing-2s are deployed?

[Answer] I don't know what has happened in Italy, all I know is that the "double-key" idea was broached with the Germans and that they turned it down. They didn't want it because, you understand, the Germans can do nothing that might imperil reunification. That, after all, is their main purpose: the reunification of Germany. The Germans think: if we accept the "double key," in case of a crisis we share the responsibility equally with the Americans. Making no moves and depending on America is better. America is the one that makes the decision. It would not be the Germans making the decision to strike out at Russia.

In Italy, you don't have the reunification problem. If you had wanted it, you could have got the "double-key" arrangement.

Getting back to European defense: I am still deeply skeptical. First we feared an attack on our cities. The nuclear warheads aboard our submarines were accordingly trained on the enemy's cities. Now the enemy's missiles, thanks to their accuracy, are aimed at our nuclear installations. Hence, we must counterattack at a lower level of violence, aiming our nuclear warheads at the enemy's military installations, so as to put ourselves on the same level he has reached. Therefore we must have accurate weapons, capable of hitting -- not Russia's cities and economic objectives -- but its missile bases first of all, and the strong concentrations of conventional military force, in the second place. I asked some time ago that France buy Pershing-2s, the most accurate weapons known today. Unfortunately, for political reasons, this was not done. At that time they were considering another weapon, the SX. And unfortunately, the first thing this government did after taking office was to stop the SX.

I think that to believe, as Copel does, that there will be a tank and armor attack on Europe is unrealistic. The situation has changed. The vast European plain no longer exists; it has been replaced by areas of high population density that have thrown up a kind of barrier. The Russians would never be so stupid as to send out tank formations to engage in street-fighting. The zone that would presumably include the tank columns contains more than 500 inhabitants per square kilometer. Pushing through these zones would be plunging into a battle of attrition. It would be far better, for them, to use tactical nuclear weapons. Hence the West must be ready to respond in kind. The Americans can mount charges of half, or a fifth of a kiloton on Pershings. A while back, before the Pershings were so accurate, they carried 400-kiloton warheads. Now we can reduce the destructive potential in exchange for accuracy, which is right in line with the principle of tactical weapons.

[Question] Well, then, for Europe the scenario sketched out by the anti-nuclear movements is a little bit unlike reality...

[Answer] I'd say so, yes. However, there are three factors working against us. First of all, the East has the initiative: most assuredly, the democracies will not make the first move to war. The element of military surprise rests with the East: that is a corollary of the initiative. If you have the initiative, you can mount a surprise attack, especially with weapons that do not require many men. The third and last key factor is accuracy: we have it both here and in the East, aside from the reservations I voiced about Europe's lag in the area of terrain mapping. In any case the surprise initiative writes off the value of conventional stationary forces. The conventional structure is so complicated that it contains vulnerable nerve-centers which, if destroyed, would cripple organized defense. For example, in France we have a dozen radar installations on the mountains and in the hills, far from inhabited areas, vulnerable to cruise missiles which the Russians could even arm with conventional explosive charges. And

there goes one nerve center. The way we have designed our defensive system, if these radars were to be knocked out, we would be paralyzed. These are radars that can not only see the enemy coming, but tell us what air base he took off from, the time of takeoff, and the route he is flying. Without these radars, it would be all over. There are other vulnerable vital spots, like the pipelines that criss-cross the countryside to supply the fuel dumps. If a $\frac{1}{4}$ -kiloton bomb were dropped in the middle of open countryside, it would form a crater: the pipeline would blow up, and no more fuel would flow. As you see, you don't have to destroy everything...

This is the point at which organized conventional defense becomes impossible. Strategically speaking, it is the advantages of the first strike that count, and these advantages are in the hands of the East. We have to get used to that idea. We have to think in these terms: The East has the initiative and its corollary, which is surprise. All attacks are based on surprise.

[Question] Since he took office, the President of the French Republic has had to deal with two major military commitments: Lebanon and Chad. What is your opinion of these two actions, different through they may be?

[Answer] From the very start of the Libyan offensive, it was right to send half a battalion to Faya Largeau. Mitterrand, though, did not manage to do that. He waited a month. He waited for the Organization for African Unity (OAU) to give him the green light. The OAU, however, turned out to be a non-existent institution. This gave the Libyans time to retake Faya Largeau and dig in there. We lost half of Chad, and we may never get it back. Besides that, we led our troops into a dead-end street.

The same goes for Lebanon. It was clear: The purpose of the Western powers, with whom we sided, was to thin out the Soviet presence down there and to weaken Syria. In the Bekaa Valley, we did just the opposite: we lost nearly a hundred men in attacks, we sent Syria into seventh heaven, and in the end we hastily evacuated the French, the Americans, and the Italians, leaving the field to the Russians. There you have the ultimate in strategy, as you can see.

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ELECTION, RESHUFFLE TALK SEEN METHODS FOR PASOK SURVIVAL

Athens I KATHIMERINI in Greek 16-17 Sep 84 p 9

[Text] There is a common origin for both the talk about elections and the government's "restructuring talk" which followed the former in the columns of the press: The search for the most suitable methodology for ensuring that PASOK will continue to stay in power. The conclusive rejection of the idea of turning to elections quite soon, for the purpose of averting an abandonment of the "movement" by even more of its 1981 voters, has given rise to the following need: What policy should the government follow from here on out so as to check the falling off of its votes? And: Should or should not those ministers be replaced who are receiving most of the criticism about the way they are handling the issues within their jurisdiction?

It is here, in the inner-party search for an answer to this last question, that the most numerous and most acute problems are appearing for the government, because the retention or replacement of ministers is linked to criteria different from those which make a minister appear to be a success or failure "from the outside." The "movement" is divided into "moderates" and "leftists." The former maintain that the government, and therefore each minister separately, should achieve satisfactory solutions to the problems which they face, because only in this way do they "confirm" PASOK's capability for governing better and more effectively than the New Democracy.

The latter, the "leftists" of the "movement," insist that what is most important is not whether the government of the "Change" gives solutions which will satisfy this or that portion of the pampered bourgeois businessmen or of the white-collar "aristocracy." But instead whether the solutions which it gives are conducive to progress towards the socialist transformation. Because--they explain--PASOK did not come into power in order to "pull from the fire" the "chestnuts" of capitalism, but in order to set fire to capitalism along with its chestnuts! The promise about a "restructuring" of the economy and about a "socialization" of its management is meant in this way.

Thus, which minister is a success? The one who is applauded by the "marketplace," because he yields to its pressures, or the one who suffers the attacks of the market because he tries to place it within the framework

of the specifications of the 5-year plan and under the corrective guardianship of the EOMMEKh [Hellenic Organization of Medium and Small-Size Enterprises and Handicrafts]?

Obviously the answer to this "historic" question cannot matter to the economy and the nation. And it cannot matter to it because the critical nature of the times which we are living through does not stem from either whether the minister of commerce will solve the problem, for example, of the percentage of business profit without questioning the concerned parties, or whether this or the opposite ministerial decision is in agreement with the prescriptions of Leninism. The critical nature of the moment stems from the fact that the Greek economy is losing more and more of that ground which it had managed to gain in terms of international economic activity, while its ongoing retreat from its intermediate position--between the developed and the underdeveloped countries--is making it more and more subject to the "laws of the marketplace," which take effect where such an economy is absent. This is reducing more and more rapidly the possibilities open to it for a genuine recovery and further progress.

The fact is worth particular attention that the Greek economy, which is "on its way" toward the socialist transformation, is being "shaken" by the appreciation of the dollar more violently and with more catastrophic consequences than any other European country. And this fact is worth particular attention because the appreciation of the dollar constitutes the most up-to-date method, in capitalistic terms, which the Reagan government has resorted to for enabling the American economy to regain the ground which it lost in the decade of the 1970's, by taking advantage of the "laws of the marketplace." These laws are now dictating that the greatest yield (interest) is with liquid capital, instead of profits from productive investment, as was the case previously. Thus the American State is paying high interest rates, and the holders of capital are hastening to invest in bonds of the American State.

Here, we have exorcised the "laws of the international capitalist market" in order to "make ourselves independent" from the exploitation of American imperialism. And at the same time we handed the economy over to the mercy of fluctuations in the dollar, which plays the role of the moving force behind inflation, with fewer counteractions than those which were developed in every other capitalist economy! Thus, thanks to the policy of our socialist government we ourselves have entered the list of countries from which American imperialism is taking more, and doing so more easily, for its own recovery, instead of our doing what we could to reduce our tribute to a minimum.

Can it be that this problem, the true and critical problem for our foreseeable future, would have been coped with by hastening the elections? But following the abandonment of the idea about early elections, will it be coped with whether the government's "restructuring" is guided by the "moderates" or by the "leftists" of the "movement"? That is, whether

Kedikoglou will remain or will not remain as minister of commerce? That is why the "election talk" as well as the "reshuffling talk" are syndromes of PASOK's "infantile sickness"--as the orthodox Marxists would say--and not expedients for the rejuvenation of our "aging" economy! This economy is heading towards a total paralysis!

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GREEK-U.S. RELATIONS AS ELECTION REASON JUDGED INADEQUATE

Athens TO VIMA in Greek 12 Sep 84 p 3

[Article by Mikhalis K. Dimitriou]

[Text] A number of questions were raised by the "surprise" statement from Premier A. Papandreou about holding elections in October 1985, but at midday a government spokesman stated that "I have nothing newer to say on the issue of the elections."

These questions were augmented by the fact that at midday the premier and the president of the republic had a special talk for 15 minutes at Ellinikon Airport before the reception for the Austrian president, in conjunction with the fact that A. Papandreou had already consulted with well-known constitutionalists such as G. Kasimatis and Dim. Tsatsos about the formal and final phase of the entire process of conducting early elections in November. The premier discussed with the constitutionalists compliance with the constitutional dictates, since the early dissolution of the Chamber of Deputies requires--according to Article 41--that a "national issue of exceptional importance" is being confronted.

According to yesterday's reports, the constitutionalist professors told the premier that the choice of the "national issue" is a political one (that is, a choice for the administration to make), but the consent of the president of the republic is needed also.

At the same time, other reports have portrayed the premier as accepting the views that the Cyprus question cannot be such an issue of exceptional importance, since the Cypriot government is responsible for the handling of this, since the issue is in a phase of "long-drawn" proceedings, and since in addition there is a clear consensus about how the government should treat this issue on the part of PASOK, the ND, and the KKE.

According to the same reports, it is considered that the only issue which complies with the constitutional dictates is Greek-American relations as a whole, with critical points being the new policy which R. Reagan threatens to implement following his probable reelection, the findings concerning certain inimical intentions of the "foreign element" (as arises, for example, from its interest in the election of Mitsotakis to the leadership

of the ND), and also the unresolved matters in issues of old agreements with the United States, relations with NATO, and so forth.

However, it is reputed that this "bundle" of perceptions centered around Greek-American relations and the proclamation of elections has not been subscribed to at all levels. Indeed, according to certain reports it has been said that if the government desires the dissolution of the Chamber of Deputies in the future, it can do this even sooner than October 1985--in the spring, for example--by using as its compliance with the constitutional dictates an appeal to developments on the Cyprus question at that time.

12114

CSO: 3521/361

MITSOTAKIS ELECTION MARKS END OF KARAMANLIS ERA

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 9 Sep 83 p 24

[Article by Panos Loukakos]

[Excerpts] There are countries in which political developments revolve around ideologies, programs, principles, strong party organizations. There are also countries in which everything moves around certain personalities. Last week showed once more that Greece belongs to the second category.

Last Saturday, the New Democracy Party elected Konstandinos Mitsotakis as its leader. About 20 years ago Mitsotakis had confounded the 1965 political scene in leading the group of defectors. With his reappearance once again in a leading role in 1984 after a period of 20 years, Mitsotakis may again overturn the political framework which has prevailed in the decade 1974-1984, a framework whose general lines have consisted of smooth developments and consensus proceedings, despite some temporary periods of shrillness and animosity (mainly prior to elections).

Certain sober-minded and reasonable people are wondering: Is Mitsotakis today such a menacing person as to justify the facts that:

The premier is launching a very furious personal attack against him?

A special person with specific qualifications is being sought for the purpose of his briefing?

One of the most painful pages in the history of 20 years ago is returning?

The government is examining the possibility of early elections, for the sole reason that Mitsotakis has become the leader of the New Democracy?

We are probably facing the phenomenon of an unjustified loss of composure, which is of no avail only to the government from which it proceeds. Mitsotakis himself would never have been able to cultivate his personal political myth as effectively--as the government and the press friendly to it did last week.

Already, without this person himself needing to make any special effort, he has found himself at the center of political life. Before even properly

becoming a leader, he became (they made him) a decisive factor in future developments. And this solely and simply because of a loss of composure and a lack of political self-control on the part of his opponents.

But the essence at the heart of these processes is escaping notice. This essence is: What does the election of the new leader in the New Democracy Party mean politically, and where will this lead coming developments?

The Political Climate

In the 1974-1984 decade, progress was orderly and political confrontations never went to extremes. But this last week characterizations were heard which brought to mind previous eras, and a climate was created which normally should belong "in the pigeonhole of history."

Mitsotakis did not nourish this climate, not because he is not disputatious by nature, not because he himself has no inclination toward violent personal attacks. He did not nourish it for the sole reason that this is not in his interests. Solely because in the present situation he is trying to appear moderate and conciliatory. But this does not mean that on another occasion he will not be the one who will set off a crisis, will not be the one who will initiate a "wild attack." Thus, with the election of Mitsotakis we are undoubtedly entering a phase where the political confrontation will become more acute, the political animosities (with help from the election campaign) will be more intense, and the uncertainty about what the next day will bring will be greater.

The President of the Republic

The election of Mitsotakis has brought to a close the "decade of the Karamanlis presence." For the first time the New Democracy Party is getting as its leader a person who has not been a close associate of Karamanlis from the beginning, who has no political or psychological reasons to be absolutely loyal to him. In this sense, it is just now that the New Democracy is entering into its "post-Karamanlis" period. And the potential for the president of the republic to intervene to put out fires when crises arise will no longer be the same as it was in the period of Georgios Rallis or of Evangelos Averof.

These points are immensely more important for the Greece of 1984 than the defection of K. Mitsotakis in 1965. That era has been judged definitively. And there has been a judgment of its protagonists, who without exception were rejected by the political camp which had reared them.

The 20 years which have passed since then have not extinguished the nightmarish memories of July 1965. The defection, the defectors, and the consequences of the overthrowing of Georgios Papandreou have not been forgotten. But today all of these things must no longer--in 1984--be once again the object of a political conflict, of a conflict indeed which would hinder the smooth functioning of our institutions.

This view--and very properly so--has been espoused unambiguously by the communist Left. Both the KKE and the KKE-interior not only have not associated themselves with the personal attacks against Mitsotakis, but have condemned them, emphasizing that our current problems are different rather than stressing that Mitsotakis defected from the Center Union in 1965. And in fact the problems are different.

The Greek people will soon judge Mitsotakis, his past, his present, and his future. To these people PASOK should set forth a specific task, a specific program, and specific perspectives.

It is not enough to brandish the "bugaboo Mitsotakis." And perhaps it does not convince anybody either.

12114

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EPEN MEMBERS' ARMS CACHE FOUND

Athens TA NEA in Greek 19 Sep 84 p 20

/Article by Giannis Diakogiannis/

/Excerpts/ Amaliada, 19. From our correspondent--A platoon leader of the National Defense Battalions /TEA/ and a follower of dictator Papadopoulos had transferred his store here into an arsenal!

A raid on the blacksmith shop of Alekos Karakhalos, 54, located at 17 Karagianoupolis Street at 0920 hours yesterday by inspectors of the Athens Sub-Directorate of General Security and members of the Amaliada Gendarmery discovered: Two automatic weapons, 2 revolvers, 1 pistol, 6 reels of dynamite, 11 dynamite detonators, 2 bayonets, 2 knives 25 cm long, 1 police club, 9 cartridge clips for automatics, 3 grenades, 3 pistol cartridge clips, cartridge boxes, metal boxes for storing weapons, and...at least 1,000 cartridges for various types of weapons (besides those found).

The discovery of the arsenal was made following a tip received in Athens and the secret departure yesterday at dawn of the two inspectors. Questioned by inspectors, Karakhalios refuted the charge that he was hiding weapons. Present at the time of the raid was his employee Grigoris Tsalas.

Others Have Weapons Too

There are suspicions that in other quarters of Amaliada also there are persons hiding weapons who served in TEA and who are today organized in the National Political Union /EPEN/.

In Ileia, on the other hand, gendarmery circles are concerned with the repeated thefts of hunting guns from the store of Dionysis Paraskevas on Ermou Street in Pyrgos. Weapons were also stolen from a similar store in Amaliada. The Ileia Gendarmery and the Athens Sub-Directorate of General Security are making concerted efforts to find out if Karakhalios is part of a plot. He is being referred to the public prosecutor today.

7520

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PASOK RUMORS CLAIMING KARAMANLIS' SUPPORT ATTACKED

Athens POLITIKA THEMATA in Greek 14-20 Sep 84 p 19

/Article by Ger. K. Apostolatos: "The Naive and Unworthy"/

/Excerpts/ The "Irodeologia", the attempt, that is, to show the supreme ruler /Karamanlis/, who resides on Irodou Attikou Street, as a supporter of Andreas' social policy, as a pillar of the premier's inspirations and as a disavower of the camp to which he belongs and of the party which he founded, is carefully and persistently cultivated.

There are the naive who "lent an ear" to this Irodeologia and the shameless who spread the whisper of fable mongering...

They write: "The election of Mitsotakis has brought an end to the 'Karamanlis decade' or 'the president of the Republic is in a fit of anger over the unacceptable things which have happened in the New Democracy Party.'"

This attempt is known and clear. The premier does not miss the opportunity to express...his admiration for and respect of the president of the Republic! The reasons are known. Karamanlis' stay in the presidency and the impression that the Papandreou-Karamanlis cooperation is uninterrupted, keeps in the PASOK fold a significant number of voters who mainly belong to the Center, who are seeking some change but who want to have today's supreme ruler as a safety valve for any political developments.

Even after the statement Papandreou made 2 days ago following many days of discussions and meetings for holding the elections definitely in October 1985, the rumor was spread that this was done at Karamanlis' suggestion which Andreas presumably accepted "reservedly" because "policy must operate normally." And one condition of this normal operation is to resort to elections on fixed time periods.

Of course, all that the PASOK rumor mongers have spread in a wily way about the Karamanlis attitude who, because of his position cannot defend and protect himself from such irresponsible rumors, are unworthy of concern on the part of the voter. But those concerned citizens need common sense and simple logic to arrive at conclusions.

What rational thinking can lead to the conclusion that the builder of modern Greece, the man who achieved the impossible--to place, that is, poor Greece at the table of the rich and strong Europeans--could now want its... Albanization?

Is it conceivable that the political leader with deep introspection and broad vision which secured for him the honorable title of the "First European" to pursue now the company of any sort of a Polirasio?

Can a citizen believe that Karamanlis, who for 20 whole years fought under adverse international conditions to induct our country into the EEC, is now a co-fighter of an enemy of EEC, that the steadfast supporter of the Western Alliance is now aligning himself with the person who considers EEC and NATO one and the same syndicate?

Konstandinos Karamanlis, one of the greatest personalities to emerge since the country's independence, leaves behind an unpararelled historical achievement of immense dimensions. It is natural and human to have felt a bitterness when in 1981 the Greek people voted for someone who was declaring and was aiming at obscuring and destroying his achievements. He must have felt this bitterness not only about the man's ulterior motives but about the country's future as well.

Today, this other person /Papandreou/ is attempting to flatter him in order to gain temporary political and electoral benefits. He is exploiting the inability of the president of the Republic to get involved in this internal feud in an attempt to present him as his supporter and fellow traveler.

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FAR RIGHT ACCUSED OF ANTI-KARAMANLIS, ANTI-CENTRIST MACHINATIONS

Athens | KATHIMERINI in Greek 23-24 Sep 84 p 1

/Article by Stamos Zoulas/

/Text/ The opening to the Center which the new ND Chairman Kon. Mitsotakis is determined to realize is being impeded as of this moment by the intra-party reactions and the outside-the-party underminings. The opposition is expressed by the party's far Right wing which in recent weeks has undertaken a whispering campaign against Kon. Karamanlis, the party's founder and the president of the Republic.

There is no doubt that the whole effort stems from the far Right and its machinations. For the first time, however, it finds a response--albeit limited--to the ND far Right wing which was the nucleus of support for the ND leader. This, however, does not mean that Mitsotakis is in any way connected with these developments. Simply the aforementioned circles had arbitrarily given a specific political meaning to the election of the new ND chairman and are now trying to impose on the major opposition party a corresponding--and in essence different from the present--ideological and political orientation.

The reports of the far Right press before and especially after the change in the ND leadership clearly shows that it considers the Mitsotakis election a) as a "restoration of the unity of the Right," b) as disapproval of the ND economic and especially its social policy, and c) as "neutralization of any influence Karamanlis exercised on the party."

It is evident that by restoration of the unity these circles mean the incorporation of the far Right in the ND Party, an incorporation which is the "key" to the developments taking place. The other two interpretations about the disapproval of the policy of the ND government and the neutralization of the Karamanlis influence, allude to the conditions of incorporation. This does not naturally mean adherence of the far Right to the ND but a coverage--political and ideological--of this area by the ND.

A Steady Target

This target is the steady policy of the far Right which since 1974, when it appeared as a party for the first time, tried to become autonomous and to enter the political arena as a viable force and as a counterbalance to the far Left. On the contrary, in all its planned activities during the past decade, it embarked on a "single front" war against the ND with an exclusive target to weaken this party and to strengthen its own influence each time its electoral power appeared as "splitting the Right."

The hatred of the far Right for the founder of the New Democracy is due precisely to the fact that Karamanlis considered as a natural consequence of the 7-year dictatorship the removal of a small section of the so-called Right as was proved during all the electoral confrontations. Moreover, he never pursued a policy of attracting this section, not only because he rejected the view of a "split" in the party but also because he believed that the survival of an extreme Right party contributed to removal of the "confusion" and the prejudices which dwell in our political life.

This position, as ND leaders point out now, became disputed and diluted immediately after Karamanlis left the party's leadership. The fact that in the 1977 elections the far Right had gained a percentage of 6.5 percent was used as an argument to compel Rallis to turn right during the 1981 elections. The result was "to achieve the target and lose the power" as the supporters of the opening to the Right at that time now admit. ND succeeded in absorbing almost all the 6.5 percent of the far Right but lost almost twice the strength (12 percent) from the Center. This indisputable fact derives from the comparison of the results (in round figures) of the last two elections: 1977: ND, 41 percent; PASOK, 26 percent; Democratic Center Union /EDIK/, 12 percent; KKE, 10 percent; National Front, 6.5 percent; and small parties, 4 percent. In 1981: PASOK, 40 percent; ND, 36 percent; KKE, 11 percent; and small parties /percentage illegible/.

Will the Mistake be Perpetuated?

Naturally, PASOK's victory in 1981 is not attributed only to the ND's turn to the Right. Its percentage, however, would not be as great if the aforementioned mistake was not committed, a mistake which contributed in lifting the last reservations of the centrist voters before they were left to be carried away by the wave of the Change. All these facts come to prominence again since they are again in the epicenter of the new developments which take place among the ND ranks.

The cause for these developments was the disappointment the results of the Euro-elections created to the party's electoral base and the painful surprise for the party's former leaders. A "first place" in the Euro-elections was the ND main target. It lost it by three percentage points and its past leadership maximized the importance of the two percentage points the far Right won. In this way, ND cadres point out, Averof tried to prove that

the pre-election policy he followed was "otherwise sound" since the first place was attainable had there not been a leakage to the far Right.

The same logic explains the "by all means" support of the Mitsotakis candidacy to the ND leadership when Averof became certain there was no hope for him to keep the leadership post. Averof acted this way because Mitsotakis was the staunchest supporter of his pre-Euro-election policy and the man who encouraged him /Averof/ to lead the Euro-ticket while the majority of the ND cadres was against this intention of the former party leader. With the search for the cause which justifies the contradiction of the election hopes of the former leadership is also connected the reaction, albeit small, a number of party members find in the anti-Karamanlis campaign by the far Right.

Indicative is the fact that the main target of the whispering campaign tends to present Karamanlis as the cause for PASOK being in power, since he, as the president of the Republic, does not resort to his constitutional privileges in order to overthrow Papandreu or even fight him...The same circles connect this "omission" by Karamanlis with the possibility of his re-election to the presidency by the votes of the two large parties next April.

Impression of Vacillation

The result of this whole propaganda is to impede the opening to the Center Mitsotakis is attempting while ND also appears to vacillate between two diametrically opposite directions, without facing even the dilemma of choosing a course. All party cadres agree that the road for regaining the governing power "leads somehow through the Center." Or, more simply, if ND does not regain the 12 percentage points of centrist voters from PASOK, it cannot look forward to a self-reliant government. On the contrary, if its policy aims at attracting the 2 percentage points of the far Right, then the possibility would be to delay PASOK's decay and prolong its stay in power.

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BRIEFS

AMBASSADOR ANDROPOV'S DELAYED ARRIVAL--The arrival of Soviet Ambassador Igor Andropov was delayed without any sufficient explanation and while he was supposed to assume his duties at about the end of September, the date is postponed to an indefinite time--or rather until other ambassadors arrive and submit their credentials at the same time. Specialists on diplomatic protocol state that this procedure was followed up until now by the president of the Republic and there is no reason it should be changed in this particular case. The conjectures about the political importance of Andropov's appointment to Greece have not stopped even for a moment. Diplomats of Eastern Europe point out that Andropov's appointment clearly shows a favorable turn by the Soviet Union towards Greece, but their Western counterparts confront such evaluations with great caution. /Excerpts/ /Athens I KATHIMERINI in Greek 30 Sep 84-
1 Oct 84 p 16/ 7520

CSO: 3521/12

OPEN BREAK EXPECTED IN COMMUNIST PARTY WITHIN TWO YEARS

Amsterdam DE TIJD in Dutch 21 Sep 84 pp 17-19

[Report including excerpts from interviews with communist leaders by Tom Jon Meeus: "Break in CPN (Communist Party of the Netherlands) Only a Matter of Time; Report on a 'Dirty War'"; items in slantlines printed in italics]

[Text] Since the historic election defeat of '77, things have gone increasingly downhill for the CPN. Simultaneously with the electoral decline, internal problems arose which have been settled in favor of the renewers since the last party congress in the spring. The old-line communists, however, remained combatant: the League of Communists in the Netherlands, founded by Laurens Meerten, wants to return the party to the pure Marxist-Leninist course. However, the party cannot cope with yet another controversy.

"Is that what the regional executive says? Oh!" Old-line leader Laurens Meerten is clearly surprised. His flood of words halts. He doubts. "Are you sure?"

[DE TIJD] Certainly. They want you and all your old-line associates out of the party within the foreseeable future--preferably as soon as possible, but in at most 2 years. They really find that too long, however.

Then, self-confident: "Listen. That's correct. The policy of the executive is aimed at eliminating all of us. I'm merely surprised that it is openly being admitted now, for until now everything was kept secret, and the strangest things were happening. They don't want to discuss anything; they are undermining our activities. Earlier on one would call those stalinist methods; now it is called renewal. Ha!"

He smiles cautiously, enjoying the point he just scored. And every little point is important these days. Namely, the battle over policies is approaching a new high (low?) point in the CPN, and the break which has become inevitable in the meantime is only being delayed because the many different currents are unsure about the size of their following. Thus it is only a matter of time.

But more on that later on. First we'll discuss the developments since the latest party congress: the dual attitude of the executive, the fights among the members and--not to forget--the deep electoral low in which the party found itself. Or: how the country's communist party got itself into many scrapes simultaneously.

Multiple Choice

/Who is the true CPN member?"/ It would be fascinating to submit that question to the party in multiple choice form, with a broad range of choices:

- a. Fre Meis
- b. Ina Brouwer
- c. Evelien Esthuis
- d. Laurens Meerten

The outcome would provide much clarity. After all, it can be said of all four candidates that they represent a current in the party--and certainly it has become obvious these past months that those currents find it difficult to arrive at any form of cooperation. Small wonder that many party officials are complaining these days about a "totally unpredictable phantasmagoria in the party."

And that's indeed what it is. For, where in the past only the old-line debate existed--for the sake of clarity let's call them followers of the pure Soviet Russian doctrine--these days there is also talk of bipartition. And it is no different with the renewers.

"Meis Does Nothing"

Laurens Meertens obviously is one of the people most often portrayed since last party congress. When the party officially renewed itself there in April after many lengthy sessions, it was Meerten who first disassociated himself from the new policy. Right there and then he founded the /League of Communists in the Netherlands/ (VCN) which sets itself the task of bringing the party back, from the inside, to the straight, Marxist-Leninist path.

The founding of the league simultaneously meant a division in the old-line line debate which during the preparation of the congress had resolved to protect the party from too seriously embracing feminism and other "new" /issues/. Part of the old-line communists, however, opted to pursue the struggle in the party in a less open manner. Those included Fre Meis, the earlier hero of the Groningen strawboard industry who, in so doing, also incurred the displeasure of the VCN. "Fre Meis?" Laurens Meertens asks, "he doesn't do anything, does he? At least I never hear about him. No, I really don't think that you can make the party into a real workers' party that way."

Unofficial Choice

The situation is not much better among the renewers. There too a clear separation of minds has taken place, which already showed up earlier when

"top renewers" such as Elsbeth Etty (the former adjunct editor of DE WAARHEID) and Gijs Schreuders (the former editor in chief of that paper, who later on served in the chamber for a while) left the party.

There is still disagreement in that circle on the /tempo/ of the party renewals. In that respect party leader Ina Brouwer is known as somewhat moderate, in imitation of Marcus Bakker, while her colleague in the second chamber, Evelien Eshuis, is more interested in rapid renewal. Thus cooperation in the chamber group does not proceed very smoothly, especially because Marius Ernsting, the successor of Gijs Schreuders in the chamber group, advocates an even more conservative policy--yes, some even classify him directly as belonging in the camp of the old-line communists.

A parliamentary group which functions very tediously and four--now and then rebellious--currents: one might guess that situation to cause considerable work for the party executive.

In reality it is different. The party executive so far has decided to do /nothing/ officially. That is to say: officially everyone may stay, even the most active opponents of the VCN. Officially, mind you. For if things go wrong in an affiliate somewhere in the country, the executive unofficially has an entirely different standpoint. Then sides are clearly chosen unofficially, that is.

And then things go wrong after all.

The Tilburg Case

It is a nuisance, namely, that there are affiliates where the old-line communists represent a large majority. Are they allowed then to voice their own ideas on behalf of the party? Tough, tough question.

In Tilburg such a situation existed: most of the members in the affiliate represented old-line communists; the remaining part (just below a majority) propagated renewal. Thus that didn't work too well. According to rumors, members of that affiliate have regularly been on the verge of fighting since the last congress. They don't like one another there in Brabant. Thus there weren't many affiliate activities either.

Hence a group of renewers intervened: aided by the party executive, a meeting was called last Tuesday to inspire new life into the affiliate. Only, the sending of invitations for the memorable evening was done somewhat selectively. All the renewal-minded found a letter on their doormat to come to the CPN meeting; the old-line communists never received such a letter--in spite of their being members of the same party.

In any event, it turned out to be a productive evening. It was decided to activate the affiliate again, but without old-line communists; the latter were essentially thrown out of the affiliate. With the aid of the party executive, according to Tilburg renewer Gijs Bax: "We followed this procedure

with approval of the executive." Thus sometimes the party executive does have an opinion on the place of old-line party associates.

"One Must Intervene."

On behalf of the executive, Karel Hoogkamp intervenes when the membership gets bogged down in excessively profound differences of opinion. And just as on so many occasions lately, this CPN official sometimes is barely able to give clear pronouncements. It becomes clear that this renewer is not always capable either of separating formalities from realities.

[Question] Now what will happen to those VCN people in Tilburg?

[Hoogkamp] "They will simply remain members. We have not forced them out of the party."

[Question] But they are no longer allowed to participate in the affiliate.

[Hoogkamp] "No, but something had to be done. That affiliate was no longer functioning. Therefore a number of people were not invited. Formally that is probably incorrect, but I can imagine that something like that is done in emergencies."

[Question] Leaving out in the cold party associates whom officially you are keeping on as members?

[Hoogkamp] "Yes, I can't deny that. Of course they are allowed to remain members. And once again: that affiliate was not functioning. The VCN people there did nothing. Then, as an executive, one has to intervene, no matter what."

[Question] But let's assume for a moment that it had been the VCN people who had contacted you to unilaterally convene a meeting, unknown to the renewers. Would that have met with your approval too?

[Hoogkamp] "No, it wouldn't. I think that only people who support a new policy can inspire new life into an affiliate."

Limited Pluriformity

[Question] But then you, as an executive, have to make a choice. Either you allow the VCN people to have their say, or you don't let them stay in the party. Then why do you still accept VCN people as members?

[Hoogkamp] "Yes, that's a good question . . . Membership in the VCN is of course not really compatible with that in the CPN. But should they be expelled then? Surely one can't do that either?"

[Question] In any event those VCN people are being treated very strangely right now. They are allowed to be members of the CPN, but if they express their opinion in an affiliate, they are thrown out.

[Hoogkamp] "Yes, uhhh . . . I don't think all that is easy to understand, no.

"We have opted for a pluriform party," Hoogkamp continues of his own accord, "but there will be limits to that pluriformity, of course. We'll have to have a debate with the VCN people, but the situation of being a member both of the VCN and the CPN cannot continue."

[Question] And when will that debate have taken place?

[Hoogkamp] "As soon as possible. I think we can allow VCN people in the CPN for at most 2 more years. Only, the manner in which they decide to break or not to break with the party is very important. Through discussion we'll have to try to keep people /in/ the CPN and /out of/ the VCN."

[Question] Nevertheless, it means that you are facilitating the establishment of a new party.

[Hoogkamp] "Yes, then one is participating in the setting up of a new party. But basically that already exists."

"Extremely Underhanded"

"The Tilburg case is not an isolated one. Don't think that!" Laurens Meerten calls out with unusual passion, continuing unrelentingly: "In the affiliates where we prevail, they're trying to sow dissension. Especially Karel Hoogkamp is good at that. In Groningen he also made attempts to establish parallel affiliates. They want to destroy us in an extremely underhanded manner."

[Question] Thus they're waging a dirty war?

[Meerten] "Yes, that's one of the few things they're still capable of doing. They have already disassociated the CPN from the workers' movement with a bad program, but in practice it is still worse."

[Question] Then the time really has arrived to get out, hasn't it?

[Meerten] "I have discipline. I only say such things after I have consulted my comrades."

[Question] But in your opinion you're very close to getting out, aren't you?

[Meerten] "Yes, but I am a politician, of course."

[Question] Meaning what?

[Meerten] "Meaning that I no longer see any reason to remain a member."

[Question] Thus a break?

[Meerten] "That's what it comes down to, yes. The party executive is in the process of forcing a break."

Stay of Execution

On 6 and 7 October the VCN will get together in an annual meeting to reflect on the future. In view of Meerten's trumpeting of a break, it will no doubt come to that.

Only, the question is what that will mean for the CPN, how many members it would lose through that, for example. Somewhere in his flood of words Karel Hoogkamp mentioned that "it is not easy for a party to lose so many members."

It certainly won't be, and simultaneously one of the best explanations for the hesitant attitude of the party executive has been discovered.

It is but a stay of execution. The most difficult times lie still ahead for the CPN.

8700

CSO: 3614/2

POLITICAL PARTIES' POLICY STANDS ANALYZED

Oslo AFTENPOSTEN in Norwegian 22 Sep 84 p 3

[Commentary by Bjorn Tølen]

[Text] Except for the Progressive Party, all the parties in parliament have now presented drafts of their campaign platforms. Although the packaging may vary from red to blue or green, all the parties have been careful to wrap the goods they are offering the voters so well that it is often difficult to surmise what is inside. Many voters will have difficulties seeing the differences between parties. Thus, this article is an attempt to show where the lines have been drawn in Norwegian politics today--between the alternatives and the present coalition partners.

First, however, it should be pointed out that in many areas the parties are coming closer together. The so-called new boundary lines from the early seventies broke up the traditional, one-dimensional spectrum from right to left. The environment, natural resources, and conservative values were brought into focus. There were often alliances in parliament between the pro-growth Conservative Party and Labor Party, while SV (Socialist Left Party) often joined forces with the Liberal Party, the Center Party, and segments of the Christian People's Party. Soon, however, the environment became part of the common political property. Now, after several years of rising unemployment and zero-growth in practice, "economic growth" is no longer a term of derision. Now everyone says we must have growth. The fear of technology has disappeared like dew in the sun and the ceiling on oil recovery has been blown away by the wind. There has been a perceptible change in the climate.

Conservative Wave On Left

In addition, the parties on the left have taken a giant step to the right by admitting that new laws and restrictions do not always lead to the desired results. This justification was given by SV when it eliminated the call for an oil monopoly from its new platform. Party secretary Erik Solheim stated at a press conference that the beliefs and moral of the people were more important.

The belief that the gigantic, all-powerful state can and should regulate the details of our lives from cradle to grave is disappearing on the left. To be

sure, we see from time to time that old habits are difficult to break, but the liberal principle that the people generally know what is best for them is winning more and more ground. Within SV and the Liberal Party, in particular, many voters are beginning to agree with the Conservatives that we should strive for a more open society. The old-style socialists' "meat grinder" that was supposed to make everything and everyone alike is now on its way to the Museum of Technology.

Thus, it may be said that the conservative wave continues to roll in the form of revised party platforms, although the stream of voters turning to the Conservative Party is much smaller now than several years ago.

This has made what is called the political middle painfully narrow. The middle parties must use a hammer and chisel to cut a niche for themselves between the Conservatives and the Labor Party, which now overlap in the middle. Words of honor and various pet projects are hardly enough. This means that the Christian People's Party and the Center Party, in reality, are tied to their election strategies--at least in the short term. In order not to disappear from the political landscape, when it comes to the question of who will govern, these two parties are probably best served by identifying themselves as much as possible with one of the two alternatives presented to the voters.

New Deal?

Despite this process of coming together in many areas, it does matter who the people choose on 9 September next year. Although the goals of full employment, social security, growth, and prosperity have become common political property, the means of achieving these goals differ considerably. The means chosen by the Labor Party have often resulted in something other than the desired effect. This has often been true in economic policy, attempts to distribute the wealth more equitably, and housing policy.

One typical example of this was Per Kleppe's so-called counter-cyclical policy. It alleviated the symptoms in the short term, but the necessary readjustment process was arranged in such a way that even larger doses of the bitter medicine had to be taken at a later date. In addition, transfers, subsidies, and housing regulations have not always benefited the weakest members of society.

It is in this light that the "New Deal" of the Labor Party must be seen. The strength of the program is its positive will to act. Public measures and higher general consumption levels are the motors that are to start production moving again, through increased demand for goods and services and, consequently, a higher demand for labor. That is a tasty, light-red medicine, but an overdose could result in explosive price rises, lower competitive strength, and even more unemployment.

The nonsocialist model is far more cautious: first savings and greater competitive strength--then higher consumption. This avoids the "all-or-nothing" approach, although some claim we will save ourselves into poverty. Politically, however, this lack of daring has its disadvantages. When the state treasury

is overflowing with oil-billions, it is no easy task to explain to the voters that this money cannot be pumped into public programs that benefit us all, such as improvements in our healthcare system. The next budget could show that the government is opening the tap a bit wider, but this issue could still be the opposition's trump card in the election campaign.

Conservative Style in AP

Elsewhere, we find the opposite situation. In its media policy, the Conservative Party is appearing more and more bold. The Conservatives are loosening the reigns without fully understanding what the results will be. The Labor Party, for its part, is so concerned over the possible unfortunate consequences that caution has become its watchword. The Conservatives are being accused of ignoring the problems in the area of the media. The Labor Party, in classic conservative style, wants change only to maintain what is good in the old system. A sober analysis of reality and public opinion indicates, however, that this is a battle the socialists and middle parties are bound to lose.

Hot Tax Debate

A third hot topic in the campaign will be tax policy. The parties have not yet fully digested the report of the Commission on Taxes, but some of their positions are now beginning to crystallize. They all recognize the negative aspects of the high marginal taxes and that highly progressive taxes do not cause the equalization that was anticipated. In this area, the recommendations of the Commission on Taxes will probably be followed, regardless of who forms the next government, but the Labor Party will be less willing to grant tax relief in the highest income brackets. A change in government would also lead to some type of limitation on deductions for interest payments.

The greatest difference may be seen with regard to tax levels. The Labor Party wants to compensate lost income tax revenues in other areas. A Labor Party government would probably follow the recommendations of the Commission on Taxes which, in practice, would mean higher inheritance and property taxes. The three nonsocialist parties have indicated that they oppose drastic tax increases on private housing. Thus, if the nonsocialist government remains in power the reduced income taxes would not be made up in other areas.

9336

CSO: 3639/1

POLL ON PARTIES' VOTER SUPPORT SHOWS LITTLE CHANGE

Oslo AFTENPOSTEN in Norwegian 22 Sep 84 p 3

[Article: "Loyal Voters"]

[Excerpt] There were few changes from June to August/September; voter support is stable. This was indicated by the latest political barometer from Norges Markedsdata. The interviews took place from 20 August to 10 September.

Today's political barometer confirms that the Labor Party is supported by about 40 percent of the voters, while the Conservative Party is just under the 30-percent mark.

The Center Party remains at the low level that has been a problem for the party since early 1983: about 2 percentage points below the 1983 election results. The Christian People's Party, on the other hand, seems to be maintaining more voter support, at about the same level as in the last local elections.

According to this survey, the three coalition parties have the support of 41.7 percent of the voters, or 48.8 percent with the support of the Progressive Party. On the other side, the Labor Party and the Socialist Left Party together have 45.6 percent. With the support of the Liberal Party, the socialist bloc now has 49.7 percent of the voter support.

	Parl. Elect. Sep 1981, %	Local Elect. Sep 1983, %	Oct 1983	Feb/ Mar 84	June 1984	Aug 1984
Red Election Alliance	0.7	1.2	0.6	0.6	0.5	0.8
Labor Party	37.1	39.2	39.2	38.4	40.1	39.6
Nor. Communist Party	0.3	0.4	0.3	0.1	0.4	0.3
Socialist Left Party	5.0	5.3	5.8	6.5	6.2	6.0
	43.1	46.1	45.9	45.6	47.2	46.7
Progressive Party	4.5	6.3	8.3	7.1	6.2	7.1
Liberal People's Party	0.6	0.7	0.5	0.2	0.4	0.4
Conservative Party	31.8	26.2	26.8	28.9	28.9	28.0
Christian People's Party	9.3	8.7	8.1	8.3	7.7	8.5
Center Party	6.6	7.3	6.2	5.7	5.3	5.2
Liberal Party	3.9	4.4	4.0	4.0	4.0	4.1
Others	0.2	0.3	0.2	0.2	0.4	0.1
Total	100.0	100.0	100.0	100.0	100.1	100.1
Number giving party preference		1,141	1,075	1,029	1,039	1,056
Number interviewed over 18 years old		1,388	1,265	1,298	1,245	1,289

The barometer is produced by weighing each party against the results of the parliamentary elections in 1981. The estimated statistical error may be as much as 3 percent for parties receiving close to 50 percent, 2 percent for parties receiving 10 to 20 percent, and 1 percent for parties receiving a smaller share of the vote.

The interviews were conducted from 20 August to 10 September.

NORGES MARKEDSDATA A/S

9336

CSO: 3639/1

BRIEFS

PARTIES' PROGRAMS PRESENTED--This week, the Labor Party and SV (Socialist Left Party) presented their programs for the next term of parliament. Both want to make more active use of oil revenues here at home, in order to "Get Norway Moving." In his comments on the proposals of the opposition parties, Prime Minister Kare Willoch stated that they would create a new round of inflation in Norway. Oil and Energy Minister Kare Kristiansen was more precise. He said that inflation would rise by 12 to 13 percent if the Labor Party strategy for using oil revenues in the next 4 years were followed. [Text] [Oslo AFTENPOSTEN in Norwegian 22 Sep 84 p 3] 9336

THIRD OF MP'S QUITTING--So far, almost 50 of the 155 members of parliament have declined to run for reelection. In view of next year's elections, our political representatives must now inform their parties as to whether they want to run for reelection or leave politics. It is also time to propose new names. In SV (Socialist Left Party), the battle continues between Finn Gustavsen and Theo Koritzinsky. In Oppland, an attempt is underway to force Conservative Party representative Harald U. Lied out and in Oslo it appears that Bjorn Tore Godal, local committee chairman in the capital city, will see a sure seat in parliament disappear because of quotas based on gender. In Finnmark, Oddvar Majala is still deciding whether to choose reelection or try to become the new chairman of the Norwegian Fishermen's Association. Wenche Lowzow promises to remain and fight to be reelected on the Conservative Party ticket in Oslo, where she must count on a difficult battle. [Text] [Oslo AFTENPOSTEN in Norwegian 22 Sep 84 p 3] 9336

CSO: 3639/1

PSOE 30TH CONGRESS DRAFTS SOCIOECONOMIC BATTLE PLAN

Madrid YA in Spanish 27 Sep 84 p 10

[Article by F. L. P.]

[Text] Taking maximum advantage of the party's organic and financial structures, better selection of leaders, following up on the action of public officials in the different institutions, more explanations to the public on what the party is doing in its administrative functions in the different public agencies and offices, maximizing the potential for action of parliamentary groups and pursuing a continuing policy of an overall transformation of society: These are a few of the proposals contained in the organizational section of the overall report which, as the 30th Congress of the PSOE approaches, the Federal Committee of the party will study at its meeting next weekend, the first portion of which was already exclusively published by YA yesterday (Tuesday).

The PSOE wants to achieve "political and ideological hegemony," although it recognizes that "there does exist an insufficient relationship between the importance which the party has as an institutional political power and its influence on civil society," a defect which the report attributes to a preferential dedication of party leaders to the tasks of governing. Consequently, new organizational forms are suggested in order to distribute the party's human resources better. "Nearly all the old and new leaders of the PSOE are in government posts," the report recognizes.

After alluding to the need to rally new social groupings and give new vigor to the membership, the report points up the need to revitalize People's Centers, the presence of the party abroad and the affiliation of all members with the UGT [General Union of Workers], endeavoring to "connect new social movements with the socialist trade union so as to promote broader platforms of social support for reforms sponsored by the party." Finally, an attempt will be made to further the federal organization of the party, differentiate the government's foreign policy from the party's international relations so that the latter may participate in the international socialist movement, especially in the European sphere.

Fear of Freedoms

In the portion of the report devoted to "furthering freedoms and the security of citizens," the legislative development of public freedoms granted to all

Spaniards by the Constitution is weighed and, with respect to the guaranteeing of freedom and security, the report emphasizes that perhaps the "formidable legislative progress has not yet filtered down to the citizenry. Perhaps it is the fear of freedom that generates the idea of having gone too far in the development of freedoms."

Consequently, the report proposes the objective of making the citizens aware of and exercise their rights. In addition, to guarantee the collective security, a judicial branch should be structured to ensure speedy justice.

Building a Civil Society

In the section on "overcoming inequalities," the report states the basic objective of building a civil society in which the values of democratic socialism prevail and in which the party would achieve a greater "solidity in the associative fabric." At times when strikes would run the risk of creating a split within the working class between the employed and the unemployed, between older and younger workers," the PSOE should promote formulas encouraging links between both sectors.

The report in no way refers to the election commitment of creating 800,000 new jobs during the legislative session.

Concerning the development of the freedom of expression, it proposes greater participation of the citizens in the shaping and overseeing of mass communications, compatible with the principle of free enterprise and action aimed at countering the trend toward any information monopolies. No reference whatever is made to the private ownership of radio and television, but mention is made of the possible creation of "new communications channels of a public or private nature, socially controlled."

State-Autonomies

In order to achieve a uniform economic policy, the state should have, according to the overall report on autonomous reform, instruments capable of guaranteeing unity of the market and the direction of economic policy, along with essential action on the personal and territorial distribution of income and wealth. For that purpose, it proposes regulating normative instruments outlining the spheres of action of each level of government, establishing procedures for mutual information and coordination in the budgetary and financial fields, to be extended to all spheres of economic policy, and cooperation as a functional element of the autonomous system.

The report concludes that full assumption of statutory competencies and the construction of self-government institutions will require that the exercise of both state and autonomous competencies of a shared or rival nature (the majority) involve the growing use of cooperative formulas in order to achieve the greatest effectiveness and fewer conflicts.

GONZALEZ POPULARITY RECORDS SLIPPAGE IN SURVEY

Madrid ABC in Spanish 27 Sep 84 p 28

[Text] The popularity of Prime Minister Felipe Gonzalez is at the lowest point since his party's election victory of October 1982. Since that time, the downward trend has averaged 1.81 points a month, according to a survey in ACTUALIDAD ECONOMICA.

The drop in prestige of the prime minister is accompanied by that of the government and his party. At the present time, only 37.8 percent of those polled have a "good" opinion of Felipe Gonzalez, compared with 54.1 percent in December 1983. On the contrary, those who view the prime minister's administration as "average" have risen from 29.2 to 35.6 percent, and those who label his performance as "bad" have risen from 12.3 to 21.2 percent of those interviewed.

The drop in the prime minister's image, a drop that has been particularly marked in the past month, is analyzed by the periodical quoted as the result of several factors. First of all, one has the loss of possible voters for the PSOE, which is significant compared with the relative voting intention stability of other political groupings such as the People's Coalition or the Spanish Communist Party. The economic situation, whose prospects show no signs of improving, in the opinion of those polled; a certain loss of optimism over Spain's entry into the Common Market; governmental uncertainty over NATO -- the survey naturally reflects a majority supporting departure from the Alliance -- and finally, even the poor image caused by the "Caribbean vacations" of the prime minister, are aspects that have affected the decline.

The undeniable influence of Gonzalez' image on the success of his party in the elections results in the fact that voting intentions, according to the survey, have also dropped for the socialists, who are now 11 points under the total won in 1982. However, those votes would seem to move toward the ranks of abstainers, since one sees no appreciable improvement in the party's competitors. In contrast, indecision is growing, affecting nearly 20 percent of those surveyed, although the "decided" abstentionists have not increased in number and remain at 13 percent.

The survey also asked about the popularity -- familiarity -- of leaders, who were led by Felipe Gonzalez, followed by Adolfo Suarez, who replaces Alfonso Guerra in second place. Manuel Fraga comes next, followed by Miguel Roca.

	<u>Voting Intentions</u>							<u>Voting Intentions Projecting Undecided</u>		
	<u>Vote 1982</u>	<u>Dec. '83</u>	<u>Feb. '84</u>	<u>Apr. '74</u>	<u>Jun. '84</u>	<u>Aug. '84</u>	<u>Sep. '84</u>	<u>Jun. '84</u>	<u>Aug. '84</u>	<u>Sep. '84</u>
PSOE	48.4	40.3	36.2	35.9	34.1	32.0	29.7	42.0	40.6	37.1
AP ¹	26.1	24.4	23.8	25.1	27.2	27.2	25.2	29.4	30.4	28.2
PCE	4.1	4.7	4.8	5.3	4.8	6.0	4.5	5.4	6.5	5.6
CDS ²	2.9	2.4	1.8	2.9	2.3	3.0	3.2	3.5	3.5	3.6
CIU ³	2.7	3.2	2.6	2.5	2.6	2.9	2.8	3.0	3.1	3.0
PNV ⁴	1.9	1.7	2.1	1.8	1.9	1.9	1.7	2.0	2.0	1.9
EE ⁵	0.5	0.4	0.6	0.5	0.6	0.4	0.5	0.6	0.5	0.6
HB ⁶	1.0	0.8	1.1	1.0	0.8	1.0	0.7	0.8	1.0	0.8
Others										
(Undecided)	12.4	22.1	27.0	25.0	25.7	25.6	31.7	13.3	12.4	19.2
Abstention								12.1	9.9	13.2

Regarding other areas of economic and social life, the survey records a stagnation in opinions on trade union confederations, Workers Commissions and the UGT, which received the favorable judgment of nearly 20 percent of those polled.

In addition, another survey quoted by the Central Press -- from which no technical details are given and which was presumably sponsored by a financial group -- states that the election map is now very similar to that of October 1982, with a slight drop of the PSOE -- which would then only lose one or two seats -- and also a slight drop of the People's Coalition. The only new element introduced is the possibility that a group of the far right -- the proposal of Silva Munoz -- might win a seat.

[Footnotes from table]

1. Popular Alliance
2. ? Social Democratic Center Party
3. Expansion unknown
4. Basque Nationalist Party
5. Basque Left (Euzkadiko Ezkerra)
6. Herri Batasuna Movement

11,464

CSO: 3548/6

FAILURE TO DECLARE HB ILLEGAL; GOVERNMENT TO APPEAL

Ruling Called Proper

Madrid DIARIO 16 in Spanish 2 Oct 84 p 6

[Article by Juan Manuel Idoyaga]

[Text] Bilbao---The ruling that Madrid lower court judge Luis Fernando Martinez has handed down in not declaring HB [Herri Batasuna] illegal, has been described by Inaki Esnaola, a deputy and attorney for the coalition, as "proper," adding that "the decision would be the same if 100 courts were consulted."

Inaki Esnaola was not surprised either at the government attorney's decision to appeal to a higher court. As far as Esnaola was concerned, "the judge could not have done otherwise, given the information and the testimony at his disposal" because "from a legal standpoint the evidence was conclusive."

Negotiation

Nevertheless, the issue of HB's final registration as a political party has as its backdrop the administration's offer to allow members of ETA [Basque Fatherland and Liberty] to reintegrate into society. The HB leader and attorney also made note of this.

"By appealing, the government attorney is furthering the administration's desire to prolong the dispute as much as possible so that in undertaking any future negotiations it can give the impression that it is conceding something. There is no concession in this case, however; this is just complementing a recognized right," Esnaola indicated.

Experts on ETA were already forecasting, in fact, that the administration would hold off until negotiations began before offering to meet one of the demands in the well-known KAS [Patriotic Socialist Coordination] alternative, which ETA has set as a condition for a "cease-fire" in the Basque Country.

If HB were legalized, the administration would have one less bargaining chip to offer ETA in exchange for its "reintegration." The conclusion that the "abertzale" [patriotic] factions draw from this is that "Barrionuevo wants to prolong the controversy so that he has something to offer other than the mere demand for unconditional surrender."

Abertzale Deputy Inaki Esnaola does not even accept the view that the government attorney's appeals "to gain time are geared towards subsequent negotiations."

"Barrionuevo is still thinking just about an unconditional surrender," says the HB leader, "and this delay will enable him only to confuse European public opinion by conveying the false impression that he is prepared to concede something in negotiations. The fact is, however, is that he wants an out-and-out surrender that would present him as the victor. He wants to continue giving the impression that he is offering something when he would actually only enforce a simple court decision."

Instructions

Separately, State Attorney General Luis Antonio Buron-Barba has already instructed the assistant district attorney of the Madrid Territorial Court, Andres Collado, to appeal.

Any appeal must be filed within 5 days and will be heard by one of the civil divisions of the Madrid Territorial Court.

Problem Termed Political

Madrid EL ALCAZAR in Spanish 2 Oct 84 p 18

[Text] The attorney general's office will this week appeal the ruling handed down by the 15th Court of First Instance of Madrid, which found no criminal grounds on which to prevent HB from seeking a place in the Political Parties Register, court sources told EFE.

Attorney General Luis Antonio Buron-Barba has already instructed the assistant district attorney of the Madrid Territorial Court, Andres Collado, to appeal; Collado said yesterday that he is still studying the matter.

Any appeal must be filed within 5 days and will be heard by one of the civil divisions of the Madrid Territorial Court.

Fifteenth Court of First Instance Judge Luis Fernando Martinez Ruiz found no crime in Herri Batasuna's bylaws, nor did the government attorney establish one in his case. If the ruling is upheld, Herri Batasuna will have to be included in the Political Parties Register.

The judge ruled that "the Herri Batasuna coalition's ambiguity regarding compliance with the constitution and its dubious loyalty to Spain [espanolidad] are not crimes." He thus did not declare HB illegal for purposes of registering as a political party.

Herri Batasuna accepted the judge's ruling as "routine."

Jon Idigoras, a member of HB's national board, told EFE that the rejection of the Interior Ministry's petition to have the coalition declared illegal "is completely routine. That much is clear. We were expecting a ruling like that."

Idigoras indicated that "all of the administrative courts have ruled in favor of HB's legality, realizing that the Interior Ministry's arguments are most crude and cannot be substantiated on any point."

"What we have here," he went on to say, "is an underlying political problem. The ministry's and the PSOE [Spanish Socialist Workers Party] administration's stubborn refusal to acknowledge the legality of HB, which is widely recognized among the Basque people and which operates within the law, seems to us to be a political problem that challenges the right to organize in a democracy."

As far as the HB leader is concerned, "when an administration like Felipe Gonzalez's refuses to recognize a right that is inherent in any minimally developed democracy, the right to organize, in spite of a favorable ruling from a judge, who cannot be suspected of being partial to HB, then it is obvious that the rule of democracy itself is being challenged."

Jon Idigoras specified that this challenge "can be seen in the very fact that as soon as the ruling was handed down, the Interior Ministry, through the government attorney, again appealed to the Supreme Court, once more seriously assailing a principle inherent to democracy."

8743

CSO: 3548/8

AP MACHINE GEARS UP FOR FUTURE GALICIAN ELECTION

Barcelona LA VANGUARDIA in Spanish 1 Oct 84 p 12

[Article by Aurea Sanchez]

[Text] Popular Alliance (AP) has set in motion its campaign machine with an eye towards the still far-off Galician autonomy elections, which will be very important for the party in maintaining its predominance. Fernandez Albor will head up its lists, and the Board [Xunta] is readying a new election law that some suspect is tailor-made for the party.

Santiago de Compostela--The ruling party in autonomous Galicia, Popular Alliance, has been readying its campaign since early September for the autonomy elections in October 1985, when the 4-year term of the government headed by Gerardo Fernandez Albor comes to a close.

Some opposition politicians say that the guidelines for the coming campaign were charted at the regional congress at which Jose Luis Barreiro, the vice president of the Board, was elected secretary general and Fernandez Albor was chosen regional AP president. Fernandez Albor's presidency was considered necessary to convey the impression that the party's bodies were working in coordination, inasmuch as he had at least gained the confidence of segments of the population that did not share AP's stands.

The president of the autonomous government announced publicly three times in recent months that he would again run for president of the Board. Last 25 September, after an AP interparliamentary gathering in Madrid, Fernandez Albor presided at his party's regional meeting in Santiago at which the election committee was chosen; it will be chaired by Antonio Pol, a deputy representing Lugo in Congress.

Election Law

The election bill sponsored by the Nationalist Camilo Nogueira that is before Congress has little chance of passage. It was taken up at a session at which few AP deputies were present. The Board's director of relations with institutions confirmed this: "Because our party (AP) has an election bill that the Board will be submitting very soon to the House."

Manuel Fraga's party has been gaining strength in Galicia. At the first elections it elected 26 deputies to 24 for the now vanished UCD [Democratic Center Union]. During the term of its autonomy government groups of UCD deputies have joined, and others began filling advisory posts as independents.

The last batch, with Manuel Iglesias Corral in the lead, joined Fernandez Albor's party in September after Manuel Fraga held a summer meeting with all of his party's deputies and the deputies from the independent faction. In the wake of this meeting the three independent deputies who had not been voting with the party were removed from the parliamentary committees; one of them was the former economic vice president, Carlos Mella. AP justified this move with the argument that it was in the minority on the committees but had enough votes to get its bills through in full sessions.

The Board's moral support for the platform of Galician political parties and unions that back the shipbuilding industry and AP's involvement with this platform have placed the party in a favorable light in the eyes of the groups hard hit by the crisis. The approval of 10 percent financing for shipbuilding, as made public in the DIARIO OFICIAL DE GALICIA, also puts the Galician Socialist Party-PSOE at a disadvantage vis-a-vis AP.

However, the business confederation of the province of Pontevedra has rejected the platform of parties and unions (this happened during the last week of September), feeling that it is not "a valid and consistent tool for achieving the goals that business is pursuing," and this could clash with the backing that the Board and AP have given to the workers' "platform," which calls for maintaining jobs in shipbuilding.

The President

President Gerardo Fernandez Albor has always given the impression he is heading up the government as though forced to do so by circumstances beyond his control.

A surgeon by profession, he still regularly visits the Rosaleda Clinic, which he owns along with several other physicians from Santiago.

He entered politics to serve Galicia and sought to create "the Broad Right" in Galicia, which is the same as the "natural majority" that Manuel Fraga advocates for the rest of Spain. His first setback in this regard came when vice presidents Jose Luis Barreiro and Carlos Mella clashed over the allocation of the 12 billion pesetas transferred to Galicia; the dispute ended when Mella resigned. This incident revealed that he had little autonomy in his political decision-making, because he initially supported the allocation plan that Carlos Mella had drawn up but later accepted his resignation.

Based on Jose Luis Barreiro's political theory about opening up to other segments of society, the party has taken advantage of Albor's close ties with Galician nationalists.

He describes himself as a Galician nationalist in that he belongs to a people with a history and culture of their own, but he asserts that these traits do not prevent him from feeling Spanish. The approach that he has talked about repeatedly of late is to secure as much home rule as possible for Galicia under the statute but also to cooperate as much as possible with the Madrid government.

8743

CSO: 3548/8

DEFENSE FINANCE PLAN STRESSES ANTI-AIR, ANTI-TANK PROGRAMS

Bonn DIE WELT in German 10 Sep 84 p 4

[Article by Ruediger Moniac: "Decision on the Future of the Federal Armed Forces"]

[Excerpt] In the Defense Ministry it is clear that the future tasks of the Federal Armed Forces cannot be accomplished through "Zero Growth," but a real increase of the defense budget of at least up to two percent annually will be required. Federal Finance Minister Stoltenberg's binding promise concerning the attainment of this goal, to be sure, is still pending, but the minister is optimistic.

Defensive Character

Already in the 18th finance plan (1984 to 1988), Stoltenberg has written that the Federal Government considers it necessary and, despite the generally required stabilization of the dynamics of expenditures, also justifiable to let the defense expenditures be increased disproportionately to the total federal expenditures in the next few years. In the 18th finance plan the rates of increase for the years up to 1988 amount to a nominal value of around 3.7 percent, respectively. On the Hardthoehe however, this percentage rate is not considered sufficient in view of the decline in buying power and the particularly large price increase in the arms area.

As a result of Woerner's decisions, arms planning is revealing a number of points of main effort which in general further accentuate the defensive character of land defense and should again decrease the dependency on nuclear weapons. The special defense gap, in which air defense developed due to the lack of anti-air missiles at air bases and other important air force stationary targets, should be closed with the introduction of modern anti-aircraft systems ("Patriot" and "Roland"). Beyond that, the air force will receive modern weapons (stand-off weapons) and a better issue of ammunition for the existing aircraft. In principle, the introduction of an efficient fighter aircraft ("JF 90") is also planned, however, it is not supposed to come into the units before 1997.

In the army the first priority in the program is the improvement of the anti-tank capability. For that reason, at the beginning of the nineties an

antitank helicopter suited to night operations will be obtained and even sooner a modern artillery weapon ("MARS") with which missiles with homing ammunition can be discharged up to 40 kilometers away.

As a result of the new arms planning, the army, too, will considerably increase the ammunition on hand for large weapons systems such as battle tanks and self-propelled howitzers so that NATO would not be forced, for strictly military reasons, to risk the employment of atomic weapons too early. Political reasons, above all the intention to end the battles quickly, could nevertheless make possible the early first employment. This is expressly provided for by the NATO strategy.

No Leopard 3

After the planning conference on the Hardthoehe, it has been decided that the army should not begin developing a new tank, that is, a "Leopard 3" in the coming years. The tank experts still do not have a clear idea of the corresponding development in the Soviet Union. For that reason, in the future the German army will concentrate on the construction of a "gun mount tank" which can utilize the chassis of the "Leopard 2," on which a more efficient gun can be mounted without a turret. In addition, the army is supposed to receive an antitank combat vehicle with which tank missiles can be launched from a vertically adjusted platform. Finally, the development of an armored vehicle for an infantry squad is also planned, which-- differently from the armored infantry combat vehicle "Mardar"--should free the commander of the task of "fighting against the tank."

Further points of main effort were established by the defense minister in arms planning for research and development, in the utilization of electronics and in the until now completely neglected medical service. For the first time in the history of the Federal Armed Forces the medical service, in order to truly carry out its tasks, is supposed to treat wounded soldiers on site.

On the basis of Woerner's recent decisions, in the area of research and development for the Federal Armed Forces the scientific-technical foundations should be laid for the development of new weapons systems, but primarily also for an optimum utilization of electronics. This should benefit reconnaissance, better leadership of units in combat, electronic warfare and a more reliable effect of warheads guided with autonomous homing devices from far removed ("stand-off") weapons carriers.

With the new arms planning, the defense minister has had his "old braids" cut off, the "follow-on thinking" and the "quota inheritance estates" of the military services. In the future it will no longer be true that a tank would again have to replace a tank or an aircraft a similar, only better one. In addition, the available total revenue and expenditure items will be apportioned to the military services according to tasks, not according to the up to now customary quotas.

12331

CSO: 3620/476

PAN-EUROPEAN MEETING IN ATHENS OF SOLDIERS' ORGANIZATIONS

Athens 1 AVGI in Greek 21 Sep 84 p 3

/Text/ The Pan-European Conference of Soldiers' Organizations /EKKO/ will start on Friday the 28th in Athens and will last for 3 days. The conference is organized by the Committee for the Rights of the Privates and the Committee for the Army.

The Sixth EKKO Conference in our country constitutes an important political event. The representative of the two committees pointed out during a press conference that it will deal with the democratic rights in the Army and underlined that the government policy maintains the reactionary and servile structures of the Greek Army, strengthens the military hierarchy, dangerously increases the armaments, keeps the subject Army hermetically sealed against society, while it acts in a restraining way towards the soldiers' movement.

The conference will discuss problems of the soldiers' movement in all Europe. Syndicates and soldiers' organizations from France, Austria, Holland, Denmark, Belgium, Finland, Norway, Sweden, the Federal Republic of Germany, and Greece will present their views and will reach decisions on three issues: a) the status of the Army in Southern European countries; b) Army-peace-democracy, and c) health systems in the Army. The conference will be attended by representatives of committees of soldiers, seamen, airmen and democratic unions of Northern Greece soldiers.

7520

CSO: 3521/12

BRIEFS

CONFUSION IN RESERVES' MOBILIZATION--The mobilization exercise Perdikas-84 started yesterday with the participation of about 2,500 reserve officers and men. The exercise will last 11 days and most of its phases will take place in Northern Greece with the city of Kozanoi as the epicenter. Early yesterday morning the first reservists began arriving at the Army Transient Centers and the Garrison Commander Offices where they were given their orders for joining the mobilization units. But despite the repeated announcements of the planned exercise by the Army General Staff and their frequent transmission by radio since yesterday morning (TV announced it 2 days ago during its mid-night program), a large part of the reservists learned about it from the newspapers. Referring to the exercise, Alternate National Defense Minister Andonis Drossogiannis made it clear that there was no plan "for operations"--within the mobilization framework--"against" our northern neighbors and pointed out that "the exercise was undertaken for testing mobilization plans and for training, at the same time, those called up. It is remembered that a similar exercise took place last year in Crete, part of which was followed by Premier Papandreou. /Excerpts/ /Athens TA NEA in Greek 19 Sep 84 p 3/ 7520

CSO: 3521/12

NAVY'S NEW COASTAL CORVETTES 'STOCKHOLM,' 'MALMO' DESCRIBED

Stockholm SVERIGES FLOTTA in Swedish Aug-Sep 84 pp 6-7, 9

[Article by naval engineer Gunnar Bodin of the Defense Materiel Administration]

[Text] The first unit of the navy's new type of vessel--the coastal corvette--was launched at the Karlskrona Shipyard on 22 August 1984. There will be two vessels in this first series, while the second series will consist tentatively of an additional four vessels. These coastal corvettes will replace the older torpedo boats of the Spica I class (and are therefore not a replacement for the destroyers being retired). Below is a brief description of these new vessels.

Hull and Layout

The hull represents a further development of the navy's Norrköping-class guided missile boats. The hull shape has been optimized to provide a speed of about 30 knots and good seagoing qualities in the Baltic Sea area. The hull and watertight bulkheads are built of steel, while the deckhouse and masts are of aluminum. The internal arrangement consists of nine watertight areas separated by watertight bulkheads. The entire ship has been designed to provide as little radar-reflecting surface as possible. Thanks to the choice of a CODAG (combined diesel and gas turbine) engine system, it was possible to make the ship 4 meters shorter and 20 tons lighter than would have been possible with diesel engines alone. All the equipment that is essential for operating the ship in a combat situation was designed, tested, and installed according to military standards, meaning, for example, that there were extreme requirements concerning resistance to water, moisture, heat, cold, and impact. Extensive steps were taken to create a good working environment for the crew, especially as regards internal noise. By combining vibration damping of the machine bed with acoustical insulation of the bulkheads and deck plates, a maximum noise level of 70 dBA was achieved in the manned areas.

The design of the ship is described below. Principal data and armament are shown in the table.

The crew consists of 31 men.

<u>Hull:</u>	
Length overall	50.0m
Length at waterline	46.6m
Beam	7.5m
Width at waterline	6.8m
Molded depth	4.4m
Draft	1.9m
Displacement, full load	320 tons

<u>Propulsion:</u>	
Gas turbine	1 x 4,390kW
Diesel engines	2 x 1,540kW
Maximum speed	about 30 knots
with 2 diesel engines	about 20 knots

<u>Armament options:</u>	
Main gun	1 x 57mm
Antiaircraft gun	1 x 40mm
Surface-to-surface missiles	8 RBS15's
Torpedoes	6 x 53cm
Antisubmarine torpedoes	4 x 40cm
Launchers for ASW grenades/83	
(ELMA)	4 x 9 grenades each
Machineguns	2 x 7.6mm

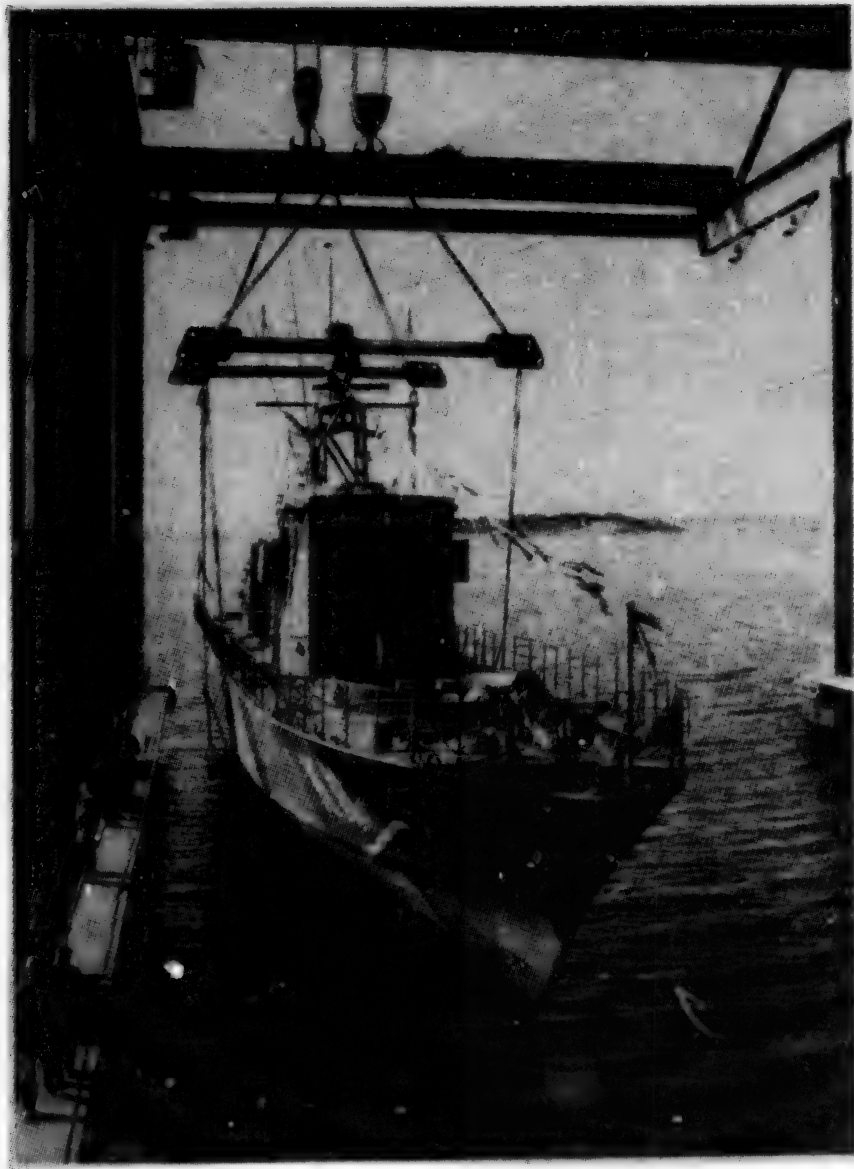
Weapons

The missile system is supplied by a consortium consisting of SAAB-Combitech, Bofors, and Swedish Philips in Jarfalla (PEAB [Philips Electrical Industries Corporation]). Its range exceeds 42 statute miles. A maximum of eight missiles in four double racks can be carried (see the article in SVERIGES FLOTTA No 6-7, 1984).

The torpedo system uses 53cm torpedoes against surface targets and 40cm torpedoes against submarines. The torpedoes are supplied by the FFV [National Industries Corporation] in Motala. Their fire control system is supplied by Ericsson in Kista.

The gun system is based on a 57mm main gun and a 40mm antiaircraft gun, both supplied by Bofors. The 57mm gun is a new development, while the 40mm gun is a modernized variant of the firm's standard gun of that size. The guns are controlled by an artillery fire control system supplied by the PEAB.

Antisubmarine armament of the ELMA type is supplied by SAAB-Combitech. The weapon consists of grenades that are fired in clusters. On striking a submarine, they produce a small hole that is difficult to seal off, thus forcing the submarine to surface within a short time.



Phase 2 of launching.

Mines and depth charges can be carried on rails installed all along the length of the ship.

Combat and Fire Control Systems

The guided missile weapon control system, supplied by the PEAB, is built around a computer and a fire control panel. Input data are received from a search radar supplied by Ericsson in Molndal. Final guidance to the target is provided by a homing device built into the missile.

The artillery fire control system serves both guns and is supplied by the PEAB. Input data are received from two "sensor configurations," one equipped for radar, optical (TV), and IR (infrared) and the other for laser and optical (TV). There is a computer for each sensor configuration.

The torpedo fire control system is designed for use with torpedoes against surface targets as well as with antisubmarine torpedoes. In the case of surface targets, input data are received from the search radar, while in the case of submarines, input is received from a towed hydrophone (discussed in greater detail under "ASW" below). The torpedo fire control system has its own computer. It is integrated with the combat information equipment and is supplied by Ericsson in Kista.

Antisubmarine fire control is a collective name for the torpedo fire control and combat information systems when they are coupled together for antisubmarine operations.

Like the torpedo fire control system, the combat information center is supplied by Ericsson in Kista. It is based on two computers and three display screens. Input data are received primarily from the search radar (see the paragraph above on the guided missile fire control system). The type designation is MARIL 880. The combat information center is the heart of the ship's command system and is connected by wired data circuits to all fire control systems, weapons, and so on.

Countermeasures

The ships carry radio intelligence equipment combined with an early warning system designed especially to detect approaching missiles. The system is supplied by ARGO Systems, Incorporated in the United States. Chaff grenades and chaff rockets can be fired.

For protection against magnetic mines, the ships are equipped with a newly developed magnetic protection system supplied by Polyamp in Sollentuna. Using a triaxial probe, the system continually monitors terrestrial magnetism and then feeds the appropriate compensating currents into the ship's magnetic protection system.

ASW

Antisubmarine warfare [ASW] requires sensors, a fire control system, and weapons. The sensor consists of a towed hydrophone supplied by a consortium made up of

Thomson-CSF in France and Fathom Oceanology in Canada. The towed hydrophone is placed astern of the port side.

Modern computerized signal processing makes detection highly probable. ASW fire control and weapons were discussed above.

Navigation Equipment

The ships are equipped with navigation radar from the Therma Corporation in Denmark. The compass system consists of two gyrocompasses and one magnetic compass. There is an autopilot. The log is of the pressure type and is supplied by Jungner Marine in Solna. The echo sounder is supplied by the Simrad Corporation in Norway.

Communications Equipment

There is radio equipment for longwave, mediumwave, shortwave, and ultrashort-wave frequencies. The equipment is operated from the radio cabin but is also accessible from other points on the ship via a radio switch panel.

The onboard communication system includes lines for headsets, ordinary telephones, intercoms, and onboard loudspeakers.

Machinery

Propulsion machinery consists of two MTU 16 V 396 TB 93 diesel engines and one Detroit Diesel Allison (DDA) 570 KF gas turbine. The adjustable-pitch and featherable propellers are supplied by KAMEWA in Kristinehamn. Simultaneous operation of the engines and propellers is handled by a computer-based control system supplied by Hawker-Siddeley Dynamics Engineering in Great Britain. The main gearing, supplied by ZF in the FRG, is designated BU 800 (diesel engines) and MS 1000 (gas turbine). The gas turbine's primary gear is supplied by Allen Gears, Ltd. in Great Britain.

To increase maneuverability at slow speeds, the rudders are placed astern of and outside the outer propellers. The steering engine is of the electrohydraulic type and is supplied by Seffle (Fa. Halla-Hydro) of Karlstad.

The ventilating system is of the double-vent type (both heated and cooled air are available) and is supplied by Flakt in Goteborg. The firefighting system consists of a network of standpipes (water) in such sensitive areas as engine rooms, control rooms, and equipment rooms. It is supplemented by a system of chemical extinguishers using Halon 1301. The chemical fire extinguishing system is supplied by the Swedish Foam Corporation in Kungälv.

Electrical Power

The main power supply system is designed for 440-volt, 60Hz, three-phase alternating current. The system is supplied from two diesel-powered generators in the forward engine room and another diesel-powered generator on the main deck.

11798

CSO: 3650/1

CONSEQUENCES OF NUCLEAR WAR FOR SWEDEN EXAMINED IN STUDIES

Stockholm DAGENS NYHETER in Swedish 25 Sep 84 p 2

[Editorial: "Civilization Defense"]

[Text] In Sweden, neither military nor civil defense is aimed at coping with a nuclear war, since that is an impossible task. Anyone doubting this is urged to see Sunday evening's British TV film "Doomsday" the next time it is shown.

At the same time, an isolated conventional attack--to which our total defense is best adapted--is probably the least likely possibility as far as we in Sweden are concerned, except perhaps during a brief initial phase that presumably would soon give way to a general, continental, and intercontinental nuclear war.

Disregarding that paradox, one can say that civil defense is also a part of what is called psychological defense, which should be able to provide at least a sense of hope and purpose and thus prop up the will to resist as well.

The most probable and most manageable of all hopefully unlikely war scenarios for Sweden is presumably the so-called bystander scenario, in which once again, thanks to our neutrality policy or for some other reason, we manage to stay out of the actual hostilities but are affected by blockades and so on and, above all, by more or less serious radioactive fallout from a nuclear war between the military blocs.

The play "No One Can Be Safer" by Great Britain's Raymond Briggs, which was presented at the Drama Theater last winter, showed the grotesqueness of British civil defense's illusory protection from radioactive fallout--of the type "Use the inner doors to fix yourself a shelter." After a direct nuclear attack, it is certain that most protective measures will become illusory, as was shown by "Doomsday"--which unfortunately was not exaggerating.

Anyone wanting confirmation from the Swedish viewpoint can look at the recent FOA [Defense Research Institute] study called "Consequences of Nuclear Actions Against Population Targets"--to be precise, four medium-sized Swedish cities.

But what will happen in the so-called bystander situation?

According to another FOA study entitled "Consequences of Nuclear Actions Outside Sweden," the injuries caused by radioactive fallout from the continent may

vary drastically--by as much as 10 to 1--depending on the measures adopted. They can be held to a relatively low level even at a dose of several thousand rads (which is conceivable in tens of square kilometers near the borders--for example, following a nuclear attack on NATO command centers in Denmark). And a third conclusion says that "from the standpoint of radiation protection, the requirement cannot be to provide access to bomb shelters except as an alternative to good cellars."

That last-named alternative is especially interesting. Is it possible that the big planned expansion of bomb shelters--now being soft-pedaled, to be sure, like the plan to procure protective masks, because it seems simpler politically to cut back on the civilian areas of defense--is ripe for some reconsideration? The slogan "bomb shelters for everyone," especially in the big cities, which were neglected back when there was faith in evacuation, is good enough in the case of a protracted conventional war, but that is the least likely kind of war.

In a direct nuclear war, on the other hand, bomb shelters are of no help. Those who do survive cannot be dug out of the ruins, will not have electricity or water, and will not be effectively protected against radiation exposure. Moreover, they will not be able to contact the outside world, since the telephones will not be working and radio normally does not reach into bomb shelters. Those thus confined will therefore be unable to call for help, and neither will they be able to find out anything about radioactive contamination outside.

In a bystander situation, on the other hand, it would probably be better to stay indoors above ground, in a house or other building, than to hide in a bomb shelter or cellar. In houses there will be water, drains, telephones, and radio, and the danger of panic will be reduced because of the possibility of contact with others. Moreover, families can lay in their own supplies when faced with the threat of war.

"Doomsday" also showed that no one can win and all must lose a nuclear war. With nuclear weapons, no one can play a zero sum game in which gains and losses are offset against each other. All one can do is gamble with numbers that are all negative.

The knowledge that this hell may nevertheless strike civilization at any time despite all the assurances concerning the strength of mutual deterrence and despite the interest in survival that is shared by even the worst hostile states is something that all human beings now carry around with them. But the significance of that knowledge is so hard to accept that it is most often repressed and reduced to a faintly ticking general anguish below the conscious level.

Otherwise, it must be intellectualized and detached from feelings and from flesh and blood by discussing it only in a manly jargon involving strategies, threat scenarios, megatons, weapon systems, and megadeaths (deaths measured in millions, and that is a purely statistical measurement).

"Doomsday" ripped a hole in that cheating game.

11798
CSO: 3650/5

FORCES COMMANDER SUBMITS PROPOSALS FOR MATERIEL PROCUREMENT

Stockholm SVENSKA DAGBLADET in Swedish 16 Sep 84 p 6

[Article by Erik Liden]

[Text] The Swedish Armed Forces will spend over 70 billion kronor at today's money values on weapons and equipment between now and 1995. Almost 2 billion kronor will be invested in a light combat vehicle, while studies for a new tank will receive only 50 million kronor during the 10-year period.

The navy will have to be satisfied with four coastal corvettes instead of the six that were planned. Priority will go instead to coastal guided missiles of two kinds: the U.S. Hellfire and a heavy Swedish guided missile to be newly developed.

The above is what emerges from the program plan for Armed Forces development during the 5-year period from 1985 to 1990, which OB [Supreme Commander of the Armed Forces] Lennart Ljung will submit to the government on 1 October after consulting with the heads of the armed services on the Military Council on 12 and 21 September.

The exact figures for the development and production costs of various materiel projects are secret, but the projects are presented in a public document in which the expenditure requirement for the periods from 1985 to 1990 and 1990 to 1995 is provided.

Military Council Divided

The Military Council is not entirely unanimous, but no dissenting opinions are expected as the final meeting on 21 September approaches.

Army Commander Lt Gen Erik G. Bengtsson supports the request for a light combat vehicle, while he and the OB both want to postpone the decision on a new tank until the May 1992 defense decision by Parliament.

At Army Headquarters, Brig Gen Curt Hasselgren, inspector of armored troops, has said that the decision on the tank ought to be reached as early as 1987 to ensure full freedom of action by the 1990's. Now it will not be possible to procure a new tank before 1995 at the earliest, and even then, that tank will

have to be produced under license or imported directly. Swedish development during the 1990's cannot be carried out with the 50 million kronor that the OB wants to devote to studies for a new tank under this program plan.

A year ago it was planned that there would be six coastal corvettes. Now the OB is recommending four for somewhat earlier delivery than originally planned.

One Billion Earmarked

This means that almost 1 billion kronor are being earmarked for the period up to 1990, while only 200 million kronor will be left over for the period from 1990 to 1995.

In the OB's plan from October 1983, 700 million kronor were earmarked for the latter period, compared to 900 million for the period up to 1990. This means that approximately 500 million kronor have been pruned, and that is the price of two coastal corvettes at the Karlskrona Shipyard.

Heavy Missile Must Wait

Coastal guided missiles are another controversial issue in the plan. Swedish industry tried to offer a light coastal missile but found that the cost would be too high. Now both SAAB and Bofors are concentrating on cooperation with the U.S. Hellfire, the idea being to obtain a license on important components of the missile and produce them in Linköping and Karlskoga.

The heavy coastal missile lies farther ahead in the plans, and during this 10-year period, it will get just over 200 million kronor. Swedish industry believes that it will become an entirely Swedish project in the 1990's.

Antiship missile 15, which is already being used on the navy's torpedo boats, will also be delivered to the four coastal corvettes, with 300 million kronor being earmarked for the 10-year period.

An air force version of the same missile for the JAS 39 Gripen aircraft will require almost 500 million kronor between now and 1995. At the Farnborough Air Show outside London in early September, Swedish industry expressed hopes for a new Swedish air-to-air missile for the JAS Gripen after 1992, but the OB is disappointing those hopes for now. Instead, 900 million kronor are being earmarked for new procurement of U.S. Sidewinder 9L's, the first batch of which was bought in June of this year for 600 million kronor. But procurement of the Sidewinders will not prevent Swedish production of an air-to-air missile after 1995.

JAS Training Aircraft

Despite the high value of the dollar, which in the present situation has upped the price of the entire JAS project by 5 billion kronor, the OB is earmarking almost 400 million kronor for studies and development in connection with a training aircraft for the JAS Gripen. According to present plans, 25 trainers are to be built by SAAB in Linköping, but those plans may be canceled later for economic reasons.

The army's projects for heavier materiel concern a medium-sized troop transport helicopter (1.2 billion kronor), a light combat vehicle (just over 2 billion kronor), reconditioning of the S tank (700 million kronor), the BILL antitank missile from Bofors (almost 1.5 billion kronor), development and production of terminally guided ammunition for both mortars and artillery pieces at a cost of almost 2 billion kronor, and antitank helicopters for 800 million kronor.

During the period in question, the JAS project will consume from 12 to 15 billion kronor, new submarines will take from 2.5 to 3 billion kronor, and continuing procurement of tracked vehicles from Hagglunds in Ornskoldsvik for the army will cost 600 million kronor.

"Not an Arms Buildup"

Modern long-range weapons, reconnaissance missiles, dart projectiles for tank guns, light antitank grenade launchers from the FFV [National Industries Corporation], infrared special sights for the S tank, and hardened-target ammunition (against armored vehicles) for the artillery will require a total of nearly 1.5 billion kronor over the 10-year period.

According to observers in the Ministry of Defense, these large materiel purchases do not indicate an arms buildup. They merely reflect the replacement of older materiel and an ability to keep up with rapid technical developments in the areas of sensors and electronics.

The OB will report on a special plan for antisubmarine protection on 15 October and on a development and survival plan for the Swedish missile industry on 15 December.

11798

CSO: 3650/5

MILITARY

SWEDEN

BRIEFS

ADDITIONAL COASTAL CORVETTES REQUESTED--The navy will get six coastal corvettes during the 1980's rather than just four, as was reported last week by sources in the Armed Forces. Information Secretary Hans-Gustaf Wessberg told the TT [PRESS WIRE SERVICE UNC.] on Tuesday: "OB [Supreme Commander of the Armed Forces] Lennart Lju will recommend six coastal corvettes when he submits his program plan for 19 990 to the government on Monday." Sources in the Armed Forces were saying last week that the OB had reduced the number of coastal corvettes from six to four. [Text] [Stockholm DAGENS NYHETER in Swedish 26 Sep 84 p 8] 11798

CSO: 3650/5

MARTENS ON ECONOMIC, REGIONAL ISSUES, PEGARD

Brussels LE SOIR in French 4 Sep 84 p 2

[Article by J. Cl.: "Martens: Fiscal and Parafiscal Pressure at Peak, But Austerity Must Continue"]

[Text] "We must have the courage to reexamine certain mechanisms."
Mr Martens repeated this sentence at least a dozen times Sunday in the course of the long interview broadcast by RTBF [Belgian Broadcasting System]. He was a prime minister sure of himself and his coalition, tanned, slightly charming, and whose manner did not change except when dealing with the subject of Jose Happart--in spite of a certain prudence, he was unable to conceal his irritation--and with Pegard--he gave a rather new version of the "facts," in an attempt to downplay the ridiculous side of the affair, which has reflected on the government. A prime minister who, all things considered, seems certain of having acted for the good of the country since the end of 1981... and who systematically refuses to accept responsibility for what happened before that in the economic and financial areas.

The most impertinent statement of this long bilingual interview, which lasted for an hour and a half on RTBF exclusively, came from Wilfried Martens:

"Could you have imagined, a year ago, such a long conversation between you and me without once discussing Cockerill-Sambre?"

Otherwise, he was spared no important contemporary issue.

The economic, social, financial and fiscal situation. For Wilfried Martens, the budgetary project for 1985 is the logical continuation of the recovery plan, and the 1986 and 1987 budgets will be in the same vein, that is, austere. "The state budget has become a big pay office," and it would be wrong to believe that the state is spending all this money by itself. The reduction of expenditures thus means the reduction of a series of payments to Belgians. If management and unions do not come up with a professional agreement before the end of the year--an agreement with a triple goal: stabilization of payments, renewal of competitiveness of businesses and the continuation of the 1983 and 1984 agreements, that is, of moderation--the government will intervene.

Mr Leysen, Everything Is Clear!

Mr Martens seemed hardly to mind at all answering the question posed by Mr Leysen, president of the FEB [Federation of Belgian Enterprises] in LE SOIR of 31 August ("Where did our money go?"): First of all, he said it stayed within the businesses, and then, the fruits of supplementary moderation served to create jobs (but there is a problem: Are all of the businesses who are not creating jobs turning the fruits of moderation over to the general fund?), and finally, many billions should come into the national treasury in 1984, 1985 and even in 1986, if public finances are still not restored. But the state will not "take" money which can be used to increase the number of jobs. The fiscal and parafiscal limit has been reached, but "I will continue after elections to preach a policy of moderation and budgetary recovery," and it will only be when we achieve a deficit of 9 percent of the GNP "that we will talk about indexing of fiscal schedules, not before, which may happen in the 1986 budget." Finally, the real recovery must be decided at the European level.

Education. "The contracts cost too much," he proclaims. Dehaene is right. But this is no reason to set up an arbitration committee ('Dehaene did not say so'), and it is quite possible to review a contract with a normal government which has a majority in Parliament." Mr Martens declared himself sensitive to the fears of the Walloon Catholic groups, but he deplors the fact that this matter was not handled on the communal level. It should be possible to write guarantees into the constitution or into a special majority law so that the takeover of education by the commune is not "risked" for ideological minorities. But "without fundamental guarantees, it is a mockery to believe that the commune can take over education."

The Inhabitants of Brussels Are Changing

State Reform. While the 1980 laws took care of the essentials, it is still necessary to complete and perfect the reform and give more authority to regions and communities, but this should be prepared for "in a serious manner within a research center in which I deplore the fact that the minority parties are not participating." It would be unhealthy for the government to deal with this problem, but it is urgent that before the elections a decision be made to allow the new parliament to modify the constitution.

Brussels. "The inhabitants of Brussels have evolved greatly," he said, "look at the elections." This is an evolution which, manifestly, is going in the right direction. However, one should debate the Brussels question only in the research center or in the integrated parliamentary commission. Two assemblies, one francophone and the other Flemish, as Serge Moureaux proposes? "If the system is based on a consensus without its being possible to make a decision for lack of a consensus, I do not think so."

The Happart affair. While Thiery is contested only as a burgomaster, one must note, Happart is contested as a communal councilor. It is necessary to allow the Council of State to make its judgment "and the minister of the interior has agreed to abide by it." There would be a way, after the Council

of State has announced its judgment, to take the matter before the supreme court of appeal in combined chambers. And "it is possible that the government might get involved." The government thought that Jose Happart would learn Dutch sufficiently "to solve the problem" before January 1984. In any case, "official acts must be carried out in Dutch and therefore the elected officials of communes must be able to express themselves in that language."

Martens again touched on the problems that this affair has stirred up between Flemish and francophone socialists, which led him to say that "all the other Flemish political parties will have great difficulty concluding an agreement with the Socialist Party."

For the Good of Pegard

The Pegard affair. According to Martens, the prospects which the "agreement" with the Americans opened for Pegard were determining factors in the election; "for," he insists, "the problems with this business deal could not have been resolved by Soviet orders alone. Additionally, for many of our allies, the delivery of this machine to the USSR caused a problem.... It is true that we have a different attitude from the FRG and different traditions." Martens also recognized that in the future such business applications should be debated by the ministerial committee on foreign affairs.

Radio and television advertising. "The law ought to change," he says, "since 'on the Flemish side' there will very soon be advertising on the air!"

The future of the government and elections. The departure of De Clercq, "at the beginning of January," will bring a limited reshuffling, and "the departure of other ministers is ruled out." His goal is: to stay with the same team, only slightly modified, until the elections. The elections will take place in June 1985, unless the law is changed, in which case they will not occur until fall. The prime minister clearly hopes for that, since "1985 will be a crucial year."

12666

CSO: 3619/92

ESTIMATED 50 'TECHNOLOGY PARKS' OF VARIED QUALITY NOW ACTIVE

Hamburg DIE ZEIT in German 7 Sep 84 pp 17, 18

[Article by Uwe Knuepfer: "Playground for Mayors. Technology Parks Have Become a New Status Symbol"]

[Text] Ideas, like rumors, sometimes spread like wildfire. Hardly had the firm conclusion been reached that German industry had fallen behind in the microelectronics field, when an instrument appeared to have been found to compensate for the setback and to regain lost ground: technology parks combined with founder centers. The idea came from America and it is known there as science park. Particularly the Silicon Valley in California gained renown. From 1948 on already, young scientists, working closely with Stanford University, founded firms there which brought them personal wealth and brought prosperity to the region.

The fastest to act were the Berliners, led by Economics Minister Elmar Pieroth. Their Innovation and Founder Center (BIG) on the old AEG premises in Wedding, opened at the end of 1983, became the prototype of the new instrument of economic promotion by municipalities and states, which apparently cannot be described without the inflationary use of the four words: technology, innovation, future and founders. If one can believe the press reports and the declarations of intent of the mayors, the FRG is now in the process of becoming a gigantic silicon plain.

The intensity of the founder boom surprised even its initiators. Since spring, therefore -- except for BIG there was no center in operation as yet -- there has been an increase in the number of critical voices. Suddenly there was talk of a new "fad", of senseless municipal competition for new prestige objects in a line of succession that had previously included city halls and public swimming pools. The founding wave will be quickly followed by a bankruptcy wave, prophetic experts were quoted as saying. What was first considered a model -- BIG in Berlin -- was now portrayed as unique and impossible to duplicate.

The planners of all the new parks, centers and factories want primarily three things:

- to establish a closer relationship between research institutes and enterprises; through spatial proximity and personal connections.

- to facilitate the founding of firms by young scientists and other pioneers with entrepreneurial inclinations, who have dynamic ideas, to be sure, but who have little capital and economic experience. Low-cost office space, technical services, counseling, and assistance in financing are designed to help them get started.

- create new jobs.

There are currently 18 young firms in BIG. Fifteen seriously interested parties are waiting for additional offices to be completed. The present tenants build robots, hydraulic control systems, develop new insulating materials or medical equipment to measure the acid content of gastric juices. BIG works in close collaboration with the Technical University (TU). From 1985 on already, established firms are to move in next door -- electronic firms, computer specialists, apparatus builders -- and thus convert the deserted AEG premises into the hoped-for technology park.

Programmatically, the Berliners point to the "other" founder years, those following 1871. Already they are talking about the "technology city Berlin." Every 6 weeks young entrepreneurs, revenue officials, members of the chamber of commerce and industry, and tax consultants meet at the "founders' reserved table." All share a pioneer spirit, without which "nothing would work" (BIG coordinator Heinz Fiedler).

The lively flow of visitors to the BIG may be having an uplifting effect on this. In the first 6 months of its existence, ca. 2200 people have already taken guided tours through the center, including observers from multinational concerns as well as municipal politicians desirous of emulating the project.

Herbert Krist of the Institute for System Technology and Innovation Research (ISI) of the Fraunhofer Society in Karlsruhe estimates that, nationwide, there are currently ca. 50 BIG-imitator projects being run on a serious basis -- "with very divergent qualities." According to Krist, at least 100 additional mayors had expressed the vague intention of taking this course in leading their communities into the modern age of technology. The ISI sponsors seminars in which it attempts to enlighten municipal politicians on "experiences abroad in the founding, financing and management of centers for young entrepreneurs."

Founder centers which are at least partially viable -- aside from the one in Berlin -- currently exist only in Karlsruhe and Aachen, with seven tenants each, in Kassel (23 tenants), and in Schwerte (three tenants). Centers in the preparation stage are located, for example, in Hamburg, Syke, Buxtehude, Hildesheim, Hannover, Dortmund and Duisburg, Saarbruecken, Stuttgart, Ulm and Heidelberg.

Active planning is going on especially in the northern and western parts of the country. Small wonder, for the status of Lower Saxony and North Rhine-Westphalia have implemented promotion programs. They are luring communities and young, technology-minded entrepreneurs with offers running into the millions. Economics Minister Reimut Jochimsen of Duesseldorf alone has 45 million DM to spend this year for this purpose.

Anyone who knows how to take advantage of such offers of assistance properly does not need to risk much money of his own. The city of Buxtehude, located in Lower Saxony near Hamburg, planned its "technology center" in such a way that it has to bear only one-fifth of the costs itself. Saarbruecken is counting on Common Market subsidies from the Program for the Recultivation of Industrial Sites. The state government of Baden-Wuerttemberg is still working on a plan for "technological factories." However, in the southwest part of the country as well, the new instrument of commercial economic promotion is to be made palatable with more than just nice words.

The young entrepreneurs themselves receive money from the Federal Minister for Research and Technology -- provided they are involved with microelectronics. The fashionable word "technology" is being used by many economic boosters anyway as being synonymous with microelectronics.

However, in functioning founder centers abroad, there are not only electronics specialists but often also classical artisan (crafts) enterprises. Experiences in the U.S. and the Netherlands have shown that technology parks and founder centers should be kept separated. The former are suitable for few, the latter possibly for a great number of German cities.

In the Netherlands, for example, the number of such facilities -- either already occupied or under construction -- is estimated at ca. 140. Only five or six of these are pure technology centers, accessible only to those active in the field of microelectronics. Most of these centers are more like trade areas. They see to it that life returns to shut-down factories: wherever a major firm, for whatever reason, was unable to make a go of it, several dozen small firms with limited financial backing are flourishing. They share not only the real estate and energy costs. Jointly they finance -- via an operating company -- what each of them alone could not have been able to afford: digital telephone equipment, copy equipment, telex and facsimile printers, conference rooms, and a centralized typing pool.

Founder centers of this type, Herbert Krist of the ISI believes, could also be successful in many places in Germany. However, in that case they could not view themselves as purely "technology-oriented continuous-flow water heaters," they could not, as many communities plan to do, evict their tenants again after 3, 4 or 5 years. In short, they should not compete with either the California or the Berlin model.

Idea breeding grounds of this caliber can at best develop where productive research facilities already exist, where top firms of the electronics branch are already resident. Viewed in this light, primarily Karlsruhe and Munich are given chances by Krist. The Ruhr district likewise has enormous research capacities to offer. The chambers of commerce and industry there have recently established close contact with several university faculties. Prudently guided by the Ruhr district communal union, they appear to have succeeded in penetrating the defensive line of the coal and steel manufacturers, who for years were able to block every restructuring attempt in the region. Also Aachen, with its

renowned technical university and the Juelich nuclear research center nearby, is perhaps dreaming not only of a silicon future.

Technology parks here and there, but founder centers everywhere, a look at Holland shows that this could be a prospect. This could also be a method of creating secure jobs. Initially, however, expectations should not be too high: in the BIG, 56 persons are currently employed in addition to the founders; their number is to increase to 80 by November. The Karlsruhe technology factory is one day to employ 150 to 200 persons. The actual number of employees in Aachen: three.

The operators of the centers are hoping for progression effects, however, Some newly founded firms will grow and move out. There is of course no guarantee that these firms will then stay near their breeding ground and not move from, say, Buxtehude to Berlin or from Berlin to Munich. The safest jobs are those with the operators of the centers themselves: as typists, receptionists, or in the administration.

And the soundest firm foundations are those whose objectives are rooted in the center itself. Among the young entrepreneurs who have already declared their intention of moving into the projected technology center in Buxtehude, there are four who intend to make a living by offering services to their future colleagues: specialist in marketing, industrial design, and "strategic corporate planning."

One firm has already dedicated itself to this task on a large scale and has had more success in the process than most politicians: in Great Britain, where the steel crisis had begun earlier than here, managers of the British Steel Corporation founded a company in 1980 with the promising name Job Creation Ltd. First on the British Isles, then in the Netherlands, in Spain, Belgium, Ireland, the U.S., and now also in the FRG, viz. in Kassel, Job Creation converted old industrial facilities into trade areas.

In Kassel the company addressed itself to the abandoned Enka plant. To date it has been able to establish 23 small firms there, among them 12 that were newly founded. Alongside laboratories and high-technology workshops, there is room here for alternative bakeries and also for entrepreneurs who are simply looking for warehouses. A retired railroad car is being converted into a cafeteria by an unemployed woman.

"Around 70" persons have now found employment again on the Enka premises, says project director Keith Freestone. In 3 years they are to number 500 to 800. In England, Job Creation claims to have taken 18,000 unemployed off the streets to date in this way. The company receives bonuses for every working place which still exists after 2 years. Freestone: "We are working at a profit."

POSSIBLE IMPACT OF WARNING STRIKE JUDGMENT ASSESSED

Hamburg DIE ZEIT in German 21 Sep 84 p 25

[Article by Michael Jungblut: "The Decision on Warning Strikes is no Cause for Complaint, Its Abuse However, Would be Reason to Demand Legislative Action"]

[Text] It will likely be some time before the commotion has subsided, however employers will have to come to terms with the decision of the Federal Labor Court which was not in their favor. The Court has decided that organizing warning strikes during contract negotiations is not only a right which the trade unions claim, it is a right which they in fact have. This decision had already been upheld in lower courts. In light of this fact, it is difficult to understand the uproar caused by the decision of the Court in Kassel. More surprising would have been a decision by the federal court declaring warning strikes illegal before negotiations had broken down and extending the obligation to keep the peace until the strike vote had been taken.

In any event, practical experience with warning strikes has shown that the world will not come to an end if work is stopped in one company or another for a short period of time. The term "warning strike", however, can have either of two different meanings: The primary purpose of such strikes, of course, is to send a signal to company management warning them that the unions are not paper tigers and that they are prepared to use whatever force is necessary to back up their demands. However such strikes can also have the opposite effect. They can indicate to union leaders that its members are not particularly enthusiastic about following their lead. The Trade, Banking and Insurance Union (HBV) knows this all too well. Warning strikes staged by HBV this year made it absolutely clear how much the overwhelming majority of bank employees disliked the policies of their union. The banks reached an agreement with the Employees' Union DAG, and HBV's demands have quieted down.

However even organizations which have a more willing (or less critical?) following must not interpret the Court's decision as carte blanche approval of arbitrary trade union activities. Such behavior is prohibited both by previous court decisions and by moral aspects. Calling a strike to push through wage demands or other wishes of a specific group affects not only the employer(s) in question, but in most cases disinterested parties as well.

This applies above all to labor disputes within public service organizations--to cite a current topic of discussion--because here it is clearer than in any other economic sector that any demand for higher wages means higher taxes for others, and every work stoppage for the purpose of pushing through such a demand also has a more direct effect on the lives of one's fellow citizens which is often very slow to disappear. In instances such as this, a strike can very easily turn into extortion. For a bus or streetcar driver a half-hour strike may seem trifling, however for those who arrive late at an important meeting or fail to make important connections, the consequences can be extremely unpleasant.

Whether or not the (somewhat premature) demands for a trade law, now being raised again after the decision by the Federal Labor Court in Kassel, will become louder and more urgent will therefore primarily depend on the use to which the trade unions put the weapon for which they have just been granted a permit in Kassel. The public in Germany will certainly not stand idly by as long as they did in England when the power of the trade unions was misused.

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CSO: 3620/11

MEANING OF ECONOMIC AGREEMENT WITH LIBYA DISCUSSED

Agreement's Advantages Extolled

Athens TO VIMA in Greek 26 Sep 84 p 3

/Article by Correspondent Mikh. Dimitriou: "The Unknown Facets of the Greek-Libyan Agreement"/

/Excerpts/ "Is it, one wonders, an agreement that can be implemented or can something similar to the 12,000 homes in Algeria happen?" This was the first distrustful comment on the Greek-Libyan economic cooperation agreement which the Greek delegation brought from Tripoli Monday night.

It must be noted that the agreement provides for a total of 1 billion dollars to be apportioned in 3 years. Greek-Libyan economic and trade relations, that is, will reach 330 million dollars every year for the next 3 years. Before one can cite the possibilities of this "framework" being increased to greater amounts, let us see what guarantees exist for turning the agreement into reality. Mainly, it concerns these two points:

First, the prompt implementation by the end of November of the agreement for 330 million dollars and the particular agreements and transactions.

Second, its character as "a broadened and unique clearing." In other words, the rule of the mutual balancing in the economic activities and exchanges by each country. Any renegeing by one side would automatically free the other from its corresponding obligations.

The key and guarantee for the materialization of the agreement--by the Greek side--is that each year within the next 3 years our exports and construction projects in Libya should reach (if not surpass) 330 million dollars in order to cover the annual 330 million dollars for our imports in oil and petrochemical products (which Greece could export to third world countries).

Specifically, 1 million of crude oil will cost around 250 million dollars. The remaining 70-80 million dollars will cover the petrochemical products and the total amount will balance the 330 million dollar "order of magnitude."

In one word and independently of the bank bookkeeping entries--as a result of the EEC regulations concerning the agreement and deals between states--Greece will be supplied with high-quality Libyan oil without paying in foreign exchange. On the contrary, as a matter of fact, this supply of oil will henceforth mean that 110 million dollars of our present exports and construction projects in Libya will be more than tripled. That this "agreement" is beneficial and important to the Greek exports and projects in Libya is evident from the fact (as in past years) that the imports of crude oil from Libya reached 900,000 tons this year with an "option" for 180,000 more tons. In other words, up until now we had imports from Libya exceeding 250 million dollars compared to 100 million dollars of Greek exports and projects there.

Immediate Results

This launching of Greek exports and construction projects in Libya with guaranteed and convenient financing (which was the old and restraining obstacle) is indeed due to the immediate "implementation" of the agreement. Thus, it was agreed in Tripoli--even though it has not yet been announced--that the Greek technical companies can undertake, alone or in cooperation with other companies, projects reaching a level of 100-120 million dollars annually. Among such projects some are of high priority such as the airport in Cirenaica, the large Jallo highway, many school buildings and land reclamation projects.

Let us go a little further at this point. The decision of the Libyan government to reschedule its economic relations with Greece and the visit to that country of the Greek premier is also the result of the drastic decrease "in the old debts." Until 1981 Libya's debts to Greek export enterprises and construction companies was about 180 million dollars. Gradually--and together with the assumption of new technical projects and additional exports--Libya's debts dropped at the end of last May to 25 million dollars and on the eve of the Papandreou visit this dropped to plain current accounts (around 6-7 million dollars).

The New Prospects

Besides the 100 million dollars of annual exports and the new construction project possibilities of 100-200 million dollars, the Greek-Libyan agreement operates like a "fan" since it opens up the margins of the Greek side. For Greece the level of 330 million dollars constitutes a first step, a framework which it can surpass comfortably, provided, of course, the Libyan bureaucracy does not show a different pace than the desire of the country's leadership which led to this agreement/balance. The new prospects in the areas of industrial cooperation and investments are:

a. Greek participation (construction and technological projects, etc.) in the construction of certain industrial units in Libya, not only--as was indicated--for manufacturing animal feed and flour, but also electrical materials (especially electrical equipment), producing and canning olive oil, household

furniture and detergents. The Greek participation in manufacturing household appliances will be undertaken by the Elinda Co.

b. Increase and expansion of the purely commercial relations between the two countries and especially in products which Greece traditionally exports to Libya (cloths, shoes, lumber, cement, construction materials, etc.). Already there is in Athens a Libyan delegation for negotiating the level of such exports.

c. Continuation and expansion of Libyan capital in Greek industries and enterprises in the form of investments using the LAFICO and LYBECO companies as agents with 60 percent Libyan participation and the Hellenic Industrial and Development Bank /ETVA/ with 40 percent participation.

Libya participates already--through LYBECO--in eight Greek enterprises (Asteridis, Panvetti, METALCO, MIK, Pieria Canning Co., et al.) and desires to expand this participation for the purpose of exporting products to Libya and to other plants which process farm products (juices, fodder, tomato paste), electrical materials, children's toys, clothing, shoes, etc.

The wish of the Libyan government to develop its own tourist enterprise in Kerkyra was not accepted for this particular area. For such investments the Libyan government intends to soon deposit 300-400 million dollars in Greek banks.

d. The sale to Libya of the Mesolongi petrochemical complex for 70 million dollars. For this purpose a special delegation will come to Athens on 1 October in order to negotiate the purchase of equipment which is ready for delivery. The preliminary agreement for cooperation with the Libyan aluminum plant, whose construction will start early in 1985, appears auspicious and distant, time-wise.

The Greek-Libyan agreement provides that Libya could procure (along with bauxite from Yugoslavia) quantities of alumina from the new plant which will be constructed in 4-5 years at Korinthiakos or at the Fokis shore in cooperation with the Soviet Union and Bulgaria. There are also two other facets of the Greek-Libyan agreement of economic cooperation which were not made public. The first, which is not included in the agreement, concerns--according to TO VIMA information--the sale to Libya of light war material and especially munitions (bullets, powder, shells). The second concerns new and a complete arrangement of the sponge fishing in Libya with the establishment of a new joint enterprise in which the Greek side will participate with 51 percent.

Economist on Impossible Implementation

Athens AKROPOLIS in Greek 26 Sep 84 p 7

/Excerpts/ In a statement made yesterday, economist K. A. Thanos characterized the Greek-Libyan agreement the Papandreou government announced as one without substance and meaning. He also underlined that the agreement will not be implemented since Libya is overextended and its oil production has dropped. More specifically he pointed out that:

a. Libya does not have liquid funds. Its oil exports dropped by 45 percent and its investment program by 55 percent.

b. Libya was compelled to borrow about 1 billion dollars in recent years from Western money markets.

c. Lacking liquid funds, Libya is unable to pay off its debts abroad for construction projects which cost 1.2 billion dollars, including the 140 million dollars it owes to Greek construction companies. Greece is no longer in a position to undertake projects abroad since its construction entrepreneurial personnel has decreased by 60 percent.

d. One cannot talk about increasing exports to Libya because the English, French and Italian companies which can finance the exports prevail in that country.

Finally, as concerns the Papandreou statement that Greece does not need the West and that, on the contrary, the West needs Greece, Thanos observes that the figures prove the opposite. Thus, the West absorbs 75 percent of Greek exports while it gives it 70 percent of our imports. Thanos also pointed out that the West provides 92 percent of the invisible resources of the trade balance and contributes by 96 percent to the foreign exchange reserves.

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CS0: 3521/15

GREEK OPPOSITION TO SPANISH, PORTUGUESE EEC ENTRANCE

Athens ELEVTHEROITYPIA in Greek 19 Sep 84 p 4

/Text/ Brussels. From our correspondent M. Kourmoussis--The statement the Greek delegation introduced yesterday to the EEC Foreign Ministers' Council which discussed the Community's expansion shows that Greece blocked the EEC decision about Spain's and Portugal's induction because the Community must first solve its own problems before considering its expansion.

Late yesterday afternoon, Deputy Foreign Minister Th. Pangalos made the following statement: "The Greek delegation declares that the Greek government will not be in a position to complete the national procedures needed for the ratification of the induction agreements. (Ed. Note: The Greek Chamber of Deputies will not vote for the induction of Spain and Portugal into EEC if the agreement for new similar resources is not ratified and if other obligations of the Brussels and Fontainebleau European Councils are not implemented--Mediterranean programs, memoranda, etc.).

It was made clear on Monday and Tuesday morning that the northern countries headed by Germany were torpedoing the Community's expansion with the induction of Spain and Portugal and that they are using a strategy which portrays Greece and Italy as saying "no" to the induction of the two countries.

The EEC Foreign Ministers' Council did not agree yesterday on drafting the text with the negotiation proposals which will be given to these two countries in view of their induction. These proposals must be given to them by the end of September. The foreign ministers of the EEC members did not agree on two issues: oil and the Spanish workers. For 7 hours they discussed the oil issue. Two conciliatory proposals by Greece were rejected by Germany. Thus, no agreement was reached and the Germans immediately circulated the news that Greece and Italy were vetoing the induction of Spain and Portugal. The German radio broadcasted this version as its first news item.

In response to a question concerning this matter, Deputy Foreign Minister Pangalos said that under no circumstances will Greece accept the German proposals and that this attitude by Greece also serves Spain's interests.

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CSO: 3521/16

COLUMNIST REJECTS COMMON REASONS FOR CONTINUED DEFICIT, INFLATION

Athens MESIMVRINI in Greek 19 Sep 84 p 4

/Article by columnist K. Kolmer: 'Why the Political Past Impedes with the Economic Future'/_

/Text/ Whenever I attempt to explain to foreigners the problem of the Greek economy, I reach the conclusion that the problem is not economic but political. This is so because neither the oil crisis, the international recession, nor the rise of the dollar are sufficient to justify the persistent inflation, the worsening of the balance of payments and the shrinking of investments in Greece.

The oil crisis was in reality a disturbance of related prices (oil vis-a-vis all other goods) which after a period of adjustment--which our country too experienced--ceased to indirectly influence the general level of prices and to create its continuous, fast rise (international inflation 1974-75, 1979-80).

The world-wide inflation, which now belongs to the past, did not affect our country as much as the advanced ones which depend considerably on the international trade (exports). As a matter of fact, we could say that international deflation brought about a slowdown in the process of international commodities, a slowdown from which our country could greatly benefit if it maintained a constant parity of its national currency.

"Yes", say the supporters and admirers of controlled underevaluation. But when the dollar rises and even when the economically strong countries (Germany, Japan) undervalue their currency, what do you want us to do with our weak drachma?

Three Myths

At this point we should pause for a moment to dispel some myths:

1. The economically strong countries such as Germany (mark), Japan (yen), and Switzerland (franc) do not undervalue their currencies.

If it happens that for 1 dollar one purchases 3 marks or 245 yen or 2.5 francs the reason can be traced to the free fluctuation of these currencies, in the

framework of which the dollar could, all of a sudden, purchase 2 marks, 190 yen or 1.9 Swiss francs.

2. On the contrary, various countries--socialist by coincidence--such as France, Sweden, Australia, New Zealand, Yugoslavia and recently Greece, consciously (even covertly) undervalue their currency. And there is no possibility at all to return to 6 francs per dollar or to 110 drachmas per dollar, because even if the dollar drops, its parity at that time will be maintained. For instance, it will be maintained at 125 drachmas while the drachma will be undervalued to 50 per mark or the franc at 3.5 per mark.

3. If our national currency was strong, if that is, it could lose its purchasing power as fast as the dollar (i.e., 4 percent inflation) or the mark (2.5 percent inflation), nothing could prevent the steady parity of the drachma, because this parity does not fluctuate freely on the basis of supply and demand in the international stock markets, nor is the drachma an international means of payment. Its parity is arbitrarily determined by the Bank of Greece which simply pretends that it "negotiates the drachma freely."

Do I propose an overvaluation of the drachma in relation to the dollar? Undoubtedly, the various followers of the otherwise "proud and independent Greece" will hasten to castigate me. Of course not. I do not--under the present proud circumstances of the higher (also in Europe) inflation. Far from it. But do not let anyone tell us that the dollar is to blame for the drachma's undervaluation. In that case, why isn't the Cypriot lira or even the Libyan undervalued? (For those who are in danger of being slandered as Chicago "monetarists" the answer is of course known: the money offeror--which is the same thing--the income speed of the money circulation in these countries is steady.)

Speed and Quantity of Money

But in Greece we also have a relatively smaller rise in the money supply compared to the nominal increase of income and the Bank of Greece governor would be proud (he said so, moreover, but in different words when he ushered in the 5,000 drachma bill).

Indeed the money supply has recently increased (first half of 1984) at a rate of 13 percent while the Gross National Product increased around 19 percent at current prices. But this does not constitute improvement. First, because during the 1981-1983 3-year period the money supply increased at about the levels of the nominal income, thus accommodating the inflation (1981: 35 percent; 1982: 29 percent; 1983: 20 percent. The average of the 3-year period: 28 percent).

Second, and most important, both the money supply and the speed of circulation should be stable. It appears, however, that the circulation speed--how fast, that is, a 1,000 bill changes hands--has increased spectacularly during the past 4 years and thus we have a redoubling of the price level and a general

flight of the public from the available liquid drachmas. (Proof of this is the turn of the depositors to bonds, foreign currencies and deposits which, mainly, are responsible for the drop in the invisible resources.)

The relation between the nominal GNP and the average level of the monetary circulation as well as the money supply increased as follows:

1979	9.18	6.30
1980	9.56	6.35
1981	9.63	6.39
1982	9.79	6.35
1983	10.39	6.64
1984	11.00	7.00

Let us now examine the critical issue of the inflow of entrepreneurial and private investments. Why should one transfer his money to Greece for investment? Even if he dispels the fear that his money may be socialized by a green guard (or his relative), again he faces the danger of losing his money. How? Because of the very fast inflation, freezing of prices and the anachronistic system of debt liquidation. We estimate that in less than 3 years the investor in a productive activity in Greece loses 50 percent of his capital. All this is known to everyone. But even if it were not, then the opinion of any international economist could promptly reveal it.

Moreover, international organizations like OOSA, EEC, IMF, and some of our "grumbling" economists have repeated the same thing I stated above. Why then is nothing done toward cleansing our economy? The answer is almost always the same: either the policy is wrong or the politicians are at fault.

Lack of Credibility

The reason, however, is deeper than the simple deceitful intention of demagogy that allegedly "is concerned about the people"--through the freehanded handouts--while it creates misery through increasing poverty. The reason lies with the credibility of the politicians. Who of the present party leaders has the power--let alone the guts--to tell the people the truth? To tell them, that is, that "if you don't want to become impoverished we must tighten our belts and purses..."

But even if a politician has such courage and tells this to one and all, how many Greeks will believe him? "Is he not," they will say, "the one who found the treasuries full and emptied them? Is he not the one who doubled inflation within a year? Is he not the one who isn't doing what he told us he was going to do? How can we believe him now?"

The problem, therefore, is not how many politicians would like to tell the truth but how many of them would be believed since credibility demands, above all, a clean past.

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CSO: 3521/16

NET GAINS FROM EEC REPORTED

Athens TO VIMA in Greek 14 Sep 84 p 17

/Article by Dion. Stamboglis: 'Greece's Net Gain from EEC Reached 36.4 Billion Drachmas' /

/Text / Greece gets increasingly higher gains from EEC but the rate of absorption of assets from the Social Fund remains low. These are the conclusions of appropriate officials after studying the latest available EEC data.

According to these data the net gain Greece had from its "debits and credits" with EEC from 1 January 1984 until 30 June 1984 reached 36.4 billion drachmas compared to 31 billion and 13.1 billion drachmas during the corresponding 1983 and 1982 periods. This net gain resulted from the differences in receipts and payments by Greece from (and to) the Community budget as shown in the following table (the numbers refer to the first 6-month periods in each year):

	1982	1983	1984
	(In billions of drachmas)		
Receipts	21.6	43.6	50.5
Payments	8.5	12.6	14.1
Net Gains	13.1	31.0	36.4

Most of the money during these 6-month periods came from the Agricultural Fund of the Community. The amounts were 14.8 billion drachmas in 1982, 39.1 billion in 1983 and more than 40 billion in 1984. During the same periods receipts from the Regional Fund were 8 billion drachmas in 1984, 3.8 billion in 1983, and 6.2 billion in 1982.

As concerns the Social Fund, in 1982 Greece received 600 million drachmas, in 1983, 700 million, and in 1984 (preliminary data) the amount reached 2.4 billion. These figures represent receipts and not the net profit Greece had from its deals with EEC. It should be noted that receipts from the Agricultural and Regional Funds would have been higher if the Community had adopted resolutions which would realize an increase of its own resources "before things reach a crisis."

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CSO: 3521/7

BRIEFS

GROWING FOREIGN DEBT--Speaking to a gathering of 10,000 young people organized by the Youth Organization of the New Democracy Party, Deputy Ath. Kanellopoulos pointed out that the country's foreign borrowing is taking on dangerous dimensions. With stagnant production (except in agriculture) an inflation rate exceeding 19 percent, a trade deficit of 2 billion dollars, and with unemployment exceeding 10 percent of the active urban population, this year the government only made 8 loans reaching 1,400 million dollars and already it is negotiating a new loan for 300 million dollars for OGE /expansion unknown/. The foreign public debt was doubled compared to 1982 and demands are made that we limit our borrowing. The argument of the appropriate government officials that Greece is not an overdebted country because 17 percent of our consumer resources is being absorbed is groundless and dangerous, since the largest part of the loans is spent for consumer purposes while the trade balance deficit continues to be large and the invisible resources continue to drop. /Text/ /Athens I KATHIMERINI in Greek 25 Sep 84 p 7/ 7520

JAPANESE LOAN FOR ETVA--A second series of Hellenic Industrial Development Bank /ETVA/ bonds totaling 6.5 billion yen was issued yesterday in Tokyo. The bonds are due in 7 years, 3 of which represent a grace period. The interest rate is 7.92--the interest of long-term loans made by Japan. The issue represented 100 percent of the nominal value of the bonds and, according to ETVA, the above conditions are similar to those in force in the Japanese capital market for banks and public agencies of countries such as France and Italy. The sale of the bonds was undertaken jointly by the Industrial Bank of Japan, Ltd., the Bank of Tokyo, Ltd., the Dai-Ichi Kangyo Bank, Ltd., the Nippon Credit Bank, Ltd., and the Nomura Securities Co., Ltd. The bond-holder agreement was signed by ETVA Governor Kostas Man. Sofoulis in the presence of the Greek Ambassador to Japan Lymberopoulos. ETVA will use the loan for the needs of its financial program. It is noted that while the previous ETVA bond issue in Japan was guaranteed by the Greek government, the present issue does not carry such a guarantee. /Text/ /Athens I KATHIMERINI in Greek 25 Sep 84 p 7/ 7520

CS0: 3521/7

BRIEFS

TRADE DEFICIT FOR FIRST HALF--During the first half of this year, the balance of payments showed a deficit of 2 billion kronor, according to the financial calculations of the Central Bureau of Statistics. According to the Bank of Sweden, the balance of payments during the first half of last year provided a surplus of 75 million kronor. At that time, the surplus in the trade balance was just over 9 billion kronor, while it was 14 billion kronor this year. Thus, a larger trade surplus was not enough to cover the increased cost of our foreign debt. [Text] [Stockholm DAGENS NYHETER in Swedish 26 Sep 84 p 10] 9336

CSO: 3650/4

OIL MARKET SETTLEMENT CONDITIONS CONSIDERED DETRIMENTAL TO GREECE

Athens EXORMISI TIS KYRIAKIS in Greek 14 Sep 84 p 11

/Text/ The extension of the deadline EEC gave to Greece (12/31/85) is considered necessary for accommodating the domestic oil market situation. Today's problems in this vital market sector cannot be solved unless rules are enacted which could regulate the "game" played by the companies with regard to oil marketing and distribution.

Already the Ministry of Energy and Natural Resources has completed the relevant study and will soon introduce in the Chamber of Deputies a draft law "for the marketing and distribution of oil products." Thus, the relations between the state and the companies will be regulated within a legal framework and at the same time the obligations of these companies will be defined. As an example, today no company is obligated to supply the islands and thus the state is often compelled to devise various incentives so that these areas too could be supplied with fuel.

On the other hand, after the enactment of the draft law some time will be needed for its orientation to the market. Today the state imports crude oil mainly through discretionary agreements. Under the present status, crude oil is refined at the state-controlled Greek Refineries /ELDA/ in Aspropyrgos and by Greek Mineral Fuels /EKO/ and subsequently the products are channeled to concerned marketing companies.

As soon as the oil market is freed, the companies will have the convenience in choosing their supplier themselves. This means that ELDA and EKO must be in a position to compete with the refineries abroad. For this reason the government is modernizing the equipment of the Aspropyrgos refinery which is expected to be completed by the end of 1984. The cost of this investment will reach 300 million dollars. This modernization will enable ELDA to transform the mazut in a greater number of "white" products--products, that is, of higher quality.

Our country has had bad experiences in past periods when its supply of fuel depended mainly on the multinational companies. An announcement by the Ministry of Energy and Natural Resources points out that "the public security of our country with its special geopolitical position as well as its geographic peculiarity (islands, etc.) does not allow that we be exposed to such kinds of danger."

At the same time such a movement would have an adverse impact on the country's productive activity with an inescapable limitation on the supply of crude oil by discretionary agreements through which our exports depend on the corresponding countries.

There is already the experience from the 1973 oil crisis when the oil supply was exclusively made by the multinationals. At that time we faced severe problems (supply, high prices of crude oil, etc.).

The oil supply for the country through discretionary agreements is assured while the supply through the free market (the spot market) is never certain. Finally, one more reason which makes the opening of the oil market detrimental to the country is the expansion of the EEC with the induction of Spain and Portugal, especially Spain which has a well-organized oil market (many refineries, etc.) and it is possible that during the transition period it may compete with the Greek refineries under inequitable conditions.

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CSO: 3521/7

GOVERNMENT STUDYING LIMITING NORTH SEA PRODUCTION

Hamburg DIE ZEIT in German 14 Sep 84 p 23

[Article by Heinz-Guenter Kemmer: "Texas in the North Sea. The Oslo Government Wants To Limit the Negative Effects of the Oil Boom"]

[Text] In the 1974 edition of the reference work "Die Staaten der Erde" ("The Nations of the Earth") the following appears in the section on Norway: "The Norwegian balance of trade is always negative. Most of the trade deficit is offset by revenues generated by the haulage of freight by the Norwegian fleet and by tourism."

Now, ten years later, the picture has changed completely. The Norwegian balance of trade for 1983 shows a surplus of DM 12 billion.

The sentences quoted above would still be valid if Norway had not in the meantime become an oil- and natural gas-producing country. Norway took in DM 22 billion last year from the export of these two products. However this development has not generated unbridled enthusiasm; many citizens fear oil and natural gas finds are having a negative effect on Norway and the Norwegians.

Serious efforts are therefore underway to put a ceiling on the amount of oil and natural gas pumped out of the ground. According to a document released by the Foreign Ministry, "the Norwegian community with its population of approximately four million cannot absorb unlimited crude oil activity. The effects on the social structure and the existing sectors of the economy limit the activity in the crude oil sector."

This view received the approval of the Norwegian Parliament--a majority is in favor of setting the limit at 90 million metric tons of oil units (the amount of gas recovered is expressed in terms of oil units). However Arild Rodland, State Secretary in the Energy Ministry, does not want to be held to a specific figure, and has stated that there is no fixed ceiling. In addition, he said, production in 1984 will only reach 60 million metric tons of oil units, so what purpose is served by discussion of an upper limit?

Of course, North Sea oil brings a significant amount of money into the government's coffers. Rodland expects earnings of around 35 billion krone in 1984--approximately DM 10 billion.

The Norwegians are not only being influenced by the monetary aspects of their offshore drilling business--they are also proud of it. A certain "Texas atmosphere" can be felt when the Statfjord Field is celebrated as the largest oil find in the history of offshore drilling, for example, or when Platform B is moved into position in this field as the largest in the world with a capacity heretofore unknown in the offshore oil business.

Of course, the price of such an "oil rush" must already be paid. Nearly everything is unbelievably expensive: A night in the best hotel in the oil metropolis of Stavanger--in no sense a luxury hotel--nevertheless costs the equivalent of almost DM 250. And in an Oslo fish restaurant would not even be worthy of one star in the Michelin Guide, dinner for three with a bottle of low-priced wine easily costs DM 300.

The zeal of the Norwegians in expanding their oil and gas production is augmented by concern that the British could suck their oil sources dry. An example of this is the development of the Statfjord Field. There was suspicion that the British Brent Field could expand across the line of demarcation into the Norwegian sector. It was later found that the Brent and Statfjord Fields are distinctly separate from one another, and that the Statfjord Field extends into the British sector, not the other way around.

Statfjord then became the North Sea project which broke all the records. More than DM 18 billion had been invested by the end of last year, and more than 30 million metric tons of oil per year will be pumped out of the field when Platform C becomes operational at the end of next year. According to a manager of the project, Statfjord oil reserves amount to 470 million metric tons, however this figure is probably conservative.

By the end of 1985, natural gas will also be supplied to the FRG from this field through a new pipeline system which runs to the Norwegian coast in the vicinity of Stavanger. After propane and butane are extracted, the gas will then be pumped through the existing Ekofisk-Emden pipeline.

However the capacity of this pipeline system will probably no longer be sufficient once the largest North Sea natural gas deposit, the Troll Field, is developed. Here in Norway, conservative estimates are that this field holds 1.3 trillion cubic meters of natural gas--enough to meet demand in the FRG for 40 years.

It is not surprising that the Troll Field is of central interest to the head of Ruhrgas, Klaus Liesen. The first cubic meters of gas could be extracted from the Troll Field in 1995, however initial talks are already scheduled to be held at the end of 1984.

The desire for oil and natural gas on the part of continental Europeans is a constant temptation for the Norwegians--although they themselves cannot make use of the natural gas because inexpensive hydroelectric power has precluded the development of a natural gas distribution system, enormous natural gas export profits are possible, of which the state keeps 86 percent.

Although Arild Rodland has given his assurance that Norway does not want to become dependent upon oil and natural gas over the long term, it is difficult to see how this independence can be achieved in view of the enormous available reserves. Oil reserves alone amount to two billion metric tons, enough to maintain a supply of oil for 60 years at last year's level of 30 million metric tons. There are even greater reserves of natural gas.

Those in favor of increasing natural gas consumption are therefore not leaving themselves open to criticism that they would do so at the expense of future generations. The Norwegians would have to be supermen to resist such temptation.

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CSO: 3620/12

MINISTER SETS FORTH ENVIRONMENT AGENDA IN FUNDS REQUEST

Stockholm SVENSKA DAGBLADET in Swedish 15 Sep 84 p 9

[Article by Henrik Ekman]

[Text] Despite the precarious budget situation, Agriculture Minister Svante Lundkvist believes he can produce enough money to combat acid rain. A proposal may be expected as early as this fall.

On 21 August, the so-called Commissioners' Group proposed its plan of action against air pollution. This plan included additional reductions in sulfur emissions, reduced nitrogen oxides from automobile exhaust, more liming operations, and much more.

Together with the steps that are expected to be taken in Europe, this would reduce sulfur fallout over Sweden by 30 to 40 percent. Acidity in our precipitation would be reduced by 0.3 to 0.5 pH units.

In its budget request for next year, the Environmental Protection Agency has calculated its needs for the next 3 fiscal years: 131 million kronor for 1985/1986, 159 million kronor for 1986/1987, and 184 million kronor for 1987/1988.

The total is 474 million kronor.

Optimistic

Nevertheless, Svante Lundkvist sounds optimistic, although he refused to go into the details of the request.

"Fortunately, there is broad unity in parliament. I also sense strong support from the people. As a result, it should be possible for us to achieve broad backing behind this program."

He hopes to submit a proposal this fall.

Driving Force

For a long time now, Sweden has been a driving force internationally on the acid rain issue. As a result, we have certain obligations. It is also certain that Svante Lundkvist has had a strong personal involvement. He can now point to a hopeful trend.

A group of 18 countries now supports the four Nordic countries that agreed last spring to reduce the 1980 level of sulfur emissions at least 30 percent by the year 1990.

"We made a particularly valuable breakthrough last June in Munich when we managed to make acid rain an East-West issue," Svante Lundkvist said.

At that time, the Soviet Union, the GDR, and Bulgaria joined.

Great Britain, on the other hand, has remained on the sidelines. The official line has been that "we still know too little."

A change could come in the future. The Environmental Affairs Committee of the House of Commons visited acidified regions of Sweden and other countries last June and recently proposed radical measures against emissions. The members of the committee were convinced during their trip that these emissions cause serious problems.

The committee's report states that coal-fired power plants play a central role. The committee has proposed that their sulfur emissions be reduced by 60 percent within 10 years, an ambition that goes even further than that of the group of 18. Their goal is at least a 30-percent reduction in emissions.

A 60-percent reduction has been discussed within the EC commission, but this proposal is far from being approved.

Svante Lundkvist's favorite topic recently, before the committee's report appeared, was the meeting in Stockholm on 24 August on automobile exhaust. Of the 11 countries that participated, only France refused to support joint measures to reduce exhaust at a rate faster than that proposed by the EC commission.

The EC commission has proposed a transition to unleaded gasoline and catalytic converters by 1989. The proposal permits countries that so desire to make the transition sooner. West Germany had previously announced its intention to do that. At the meeting in Stockholm, the four Nordic countries, Switzerland, Austria, the Netherlands, Liechtenstein, and Canada also decided to support this effort.

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